G. R. S. IX-5]

Previous references.

9.7.10/96

191

(Gen. Finance)

G.A. File No. 11/96

Serial Nos. 1-16

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-16

Part B for

SUBJECT.

Re Biddulph's report on Mysore Finance

1-16-C

Linked ?

96/

W D 88—GPB—50,000—24-7-16

Kms

OFFICE OF THE DEWAN OF MYSORE,
Dated Bangalore, 12th September 1896.

G.7-11-96-1

FROM

THE DEWAN OF MYSORE.

To

THE COMPTROLLER OF MYSORE.

SIR,

I have the honor to forward herewith the Appendices* noted in the margin to the report submitted by Mr. Biddulph and to request you will be so good as to submit to me any explanation you may wish to offer on the remarks therein made as well as on Mr. Biddulph's observations contained in the accompanying extract† from his report.

D. E. and F.

†Paras 48 to 51 and 58.

You can apply to Mr. Rangaswamaiengar your predecessor for any information he may wish to furnish regarding the management of the Department during his tenure of office.

I have the honor to be,
Sir,
Your most obedient servant,

K. SHESHADRI IYER,
Dewan of Mysore.

Copy forwarded to Mr. A. Rangaswamaiengar for information and guidance.

Confidential

To

The Comptroller of Mysore

G.711-96-1

Sir, I have the honor to forward herewith the Appendices noted in the margin to the Report submitted by Mr. Biddulph, and to request you will be so good as to submit to me any explanation you may wish to offer on the remarks therein made as well as on Mr. Biddulph's observations contained in the accompanying Extract from his report —

You can apply to Mr Rangaswamy Iyengar your predecessor for any information he may wish to furnish regarding the management of the Dept during his tenure of office

I have the honor to be
Sir
your most Obedient Servt

Vishveshwara Iyer
Dewan of Mysore

Copy forwarded to Mr. A. Rangaswamy Iyengar for information & guidance

12th Sept 1896

GOVERNMENT OF MYSORE

(7)

Confidential Paint 97-11-96-1

To

The Commissioner of Mysore

Sir,

I have the honor to forward herewith the Appendices noted in the margin of the Report submitted by Mr Biddulph, and to request you will be good enough to submit to me any explanation you may wish to offer on the remarks therein made on or on Mr Biddulph's observations contained in the accompanying extract from his Report —

D, E & F

paras 48 to 51 & 58

You can apply to Mr Ramaswamy Iyengar your predecessor for any information he may wish to furnish regarding

the Management of the
Dept during his tenure
of Office

I have the honour to
be
Sir
Your most obdt Servt
Sd/- K. Sankunni Nayar
Diwan of Cochin

Copy forwarded to Mr
A. Ramaswamy Iyengar
for information &
guidance

APPENDIX D.

TABLE OF CONTENTS.

	Paras.
Lists of Establishment	1— 14
Establishment Audit Registers ...	15— 33
Contingent Audit Register	34— 40
Travelling Allowance Registers ...	41— 42
General system of audit and treatment of classified abstracts	43— 58
Huzur Treasury	59— 76
Gazetted Audit Branch	77— 86
Pension Department	87—112
Revenue Survey	113—121
Forest Accounts ...	122—147
Excise Revenue	148—182
Book and Compilation Department ...	183—219
Loans	220—231
Local Funds	232—241
Resource Department	242—247
Bill Audit	248—258
Military Department	259—264
Objection Books	265—281
Record Department	282—298

APPENDIX D.

LISTS OF ESTABLISHMENT.

Deputy Auditor General's Remarks.	Comptroller's Notes.
1. Statements are carelessly drawn up, often on MS forms and on inferior paper (they have to last many years for pension check).	1. The lists of all the establishments were up to 1874 drawn up on manuscript forms, and from 1875 on printed forms. The same kind of printing paper has been used all along. In some cases where printed forms were not available, manuscript forms were used in the Districts to avoid delay. This will be rectified.
2. There is a want of punctuality in submitting these returns, but as the list prescribed in Article 806 C. A Code is not kept up, it is not possible to say whether all the lists have been received or not.	2. This list was never introduced into this office, nor could it be adopted in its entirety. The returns are entered in a list as they are received, and the Pension Auditor, who prepares the returns of non-gazetted officers attaining the age of 55 years, also verifies at the time of preparing such returns whether the lists of all the establishments have been received, though such verification is not noted. This will be insisted upon in future. Punctuality in the submission of the lists of establishments has all along been insisted upon by Circular Orders and steps will be taken to ensure strict adherence to them.
3. A list of them is kept as they come in, but for 1894-95 only about half of them were entered as received.	3 This incompleteness for 1894-95 is due to the lists having been sent to the Government for reference in connection with the re-organization of District and other establishments. They have all been since entered in the register.
4. No date of receipt is entered, nor is there any stamp on the statements themselves showing the actual date of receipt.	4. The date of receipt is generally stamped on the dockets received and not on the lists.
5. There is nothing to show what subsequently becomes of them, or whether the statements have been checked or not or sent to the Pension Department for file. The files are incomplete.	5. The practice in this office has always been to file the lists in the Pension Department after check. See para 2 *supra*. For the reason mentioned in para 3, the file for 1894-95 was incomplete, but the files for previous years are all complete.
6. The forms instead of being supplied by the Comptroller (Article 807 C. A. Code) are indented for from the Stationery Department, and local officers do not trouble to procure the forms and so make up manuscript ones.	6. The Stationery Depôt has been supplying these forms from the commencement. A change in this practice does not appear necessary for a small administration like Mysore and it will entail extra establishment.

Deputy Auditor General's Remarks.	Comptroller's Notes.
7. The abstracts required in Article 56 C. A. Code are not prepared. That also required in Article 810 C. A. Code is not prepared, and there is no index to the book of establishment.	7. These Abstracts were not maintained from the commencement, nor were their omission objected to by Mr. Taylor or Sir James Westland.
8. The binding is done in the Printing Office, and as the pages are not numbered they are often misplaced.	8. The file of schedules for 1894 was examined by the Test Auditors, and only *in one* place, a misplacement was noticed. separate form No. 4 which was received along with the Shimoga District schedule was misplaced between two pages of the schedule, though they were properly sent to the Printing Office arranged and tied up.
9. The returns of non-gazetted officers who will attain 55 years do not include menials. These returns are due December 1st, those for 1894-95 were not submitted till March 1895.	9. These names were never included in this office, nor is it necessary, as the menials are not eligible for superannuation pension and as no report to Government is required to be made when they attain 55 years of age. The delay is due to pressure of other special work last year.

Comptroller's Office.

10. Statement of new names (Form. 4) and nominal roll of European and Eurasian employees were not forthcoming. Certain discrepancies in ages were noticed.	10 This statement had never been maintained in this office, nor is it necessary, as the number of hands entertained in each year is very limited, and this office has other facilities for check without such statement. However one has been prepared for 1896. Before the Rendition a nominal roll of European and Eurasian employees used to be received along with the schedules from all departments, and a consolidated statement prepared in the Comptroller's office sent to the Comptroller General. Since the Rendition an annual statement of such employees is being sent direct to Government from each department on 1st January of each year under Government Order No. 4731-57—173, dated 16th September 1886.
11. Dates of incumbents' births were in several cases blank.	11. These appear to have been omitted in cases of a few newly entertained and who were unable to furnish the information in time. The omission has however been supplied in the schedule for 1st July 1895, except in the case of two or three acting incumbents. Some of the menials are not able to give their dates of birth, and so they are left blank.

Deputy Auditor General's Remarks.	Comptroller's Notes.
12. New names and names which had disappeared could not be checked for want of Form 4.	12. *Vide* explanation para 10 *supra*.
13. This statement does not appear to have been checked by any one in the Audit Branch.	13. *Vide* explanation para 3 *supra*. The defect has since been remedied.

BANGALORE 2ND DIVISION COMMISSIONER.

14. Form 4 is correctly prepared; discrepancies in date of birth and age noticed; orders not quoted for retention in services over 55 years of age.	14. It is not known to what cases the remark applies. The only case that appears to have been examined by the Test Auditors was that of a Deputy Munshi in the Bangalore Deputy Commissioner's Office. His retention in service was sanctioned by Government up to August 1894, and noted in the schedule for 1st July 1894; but he was retired in January 1895 under a separate Government order, which has been noted in the establishment audit register; there was therefore no necessity to enter it in the schedule relating to an year that had expired six months previously.

ESTABLISHMENT AUDIT REGISTERS.

15. The audit registers might be arranged to contain the transactions of four years (Article 812 C. A. Code) so as to avoid the labour of re-opening them annually and to facilitate comparison.	15. The audit registers have all along been opened every year so as to avoid the confusion resulting from the record of frequent changes, as reduction, revision, &c., change of establishments having been frequent in the Province.
16. Fly-leaves to record the details of scale of establishment should be introduced.	16. For the present form no fly-leaf is necessary.
17. Names are recorded on the register, but this is not required.	17. The names are absolutely necessary, as the scale of establishment in some departments, such as Police, Excise, Educational, etc, is fixed for the whole Province and not for each District, and as the salaries of these officials are personal and not local.
18. Additions, and new orders require attestation by the Superintendent of the section, and the date from which they have effect should be noted.	18. The Manager checks these entries in the audit register with the orders before him. Instead of initialing the entries in the audit register he initials the orders themselves and passes them on to records. This has been the practice all along.
19. Unattested alterations are frequent and over-writing common.	19. Will be rectified.

Deputy Auditor General's Remarks.	Comptroller's Notes.
20. When an order has been quoted and again requires to be quoted elsewhere, reference to the page when first quoted is omitted, causing difficulty in turning up the order.	20. The Toddy establishments for Taluks were sanctioned in one order, which was noted on the first page of the audit register in which toddy establishment bills are passed. Pages 83 to 85 of the audit register were set apart for recording these establishment charges which were entered continuously one after another although they occupied three pages ; as the order related to all, it was thought sufficient to note it on the first page.
21. Reference to the page on the audit register is not given on establishment bills.	21. Not required by the Code and moreover the number of establishments is not very large. The index therefore has been sufficient for facilities of reference.
22. Many bills have no leave statement.	22. It would appear that out of 20 leave statements asked for only 3 were not produced they having been filed with the monthly bundles of vouchers.
23. Cases where orders of Government were misquoted. were not challenged by the auditor.	23. The cases referred to relate to the appointment of a District Surveyor and that of two peons for Government House at Shimoga. The correct order is quoted in the audit register, and the Auditor is not called upon by the Code to seek for authority elsewhere than in this register, or to undertake the correction of misquotations on bills where such orders are not required to be quoted at all.
24. Fixed allowances are drawn along with permanent establishment bills and recorded in the audit register as fixed establishment though properly classified in the abstracts. Instruction in Article 834 C. A. Code should be followed.	24. Under Article 74, Rule 1 of the Civil Account Code, fixed allowances for contingent expenses are allowed to be drawn in the establishment bills, and for the sake of convenience, the grant of such allowances is noted below the establishment in a separate entry as shown in the sanctioned scale which provides both for establishment and fixed contingent allowances, and the monthly expenditure is recorded against the grant. This has been always the practice.
25. Fixed and temporary establishment charges have been drawn on one bill and recorded on the same page of the audit register.	25. Prior to 1888-89 this was the practice notwithstanding the Comptroller General's instructions in 1878 on the report of Sir James Westland. In 1888-89 a circular was issued to all the departments to draw the pay of temporary establishments separately—*vide* Comptroller's Circular No. 1707, dated 15th August 1888. Accordingly they have been drawn on separate bills prescribed for temporary establishments. Only in one case the pay of process establishments (permanent and temporary) of the District Courts of Mysore and Shimoga was drawn on an old bill form, which provides distinctly, the right half of the form for permanent establishment and the left half for the temporary one.

Deputy Auditor General's Remarks.	Comptroller's Notes.
26. Sections in establishment bills occasionally do not agree with the audit register.	26. Only in the Shimoga Sessions Court establishment bill the mutchi and daftarbund are shown below the clerks in the English Department, whereas in the scale entered in the audit register, their pay is included under menials. This will be rectified.
27. Withheld pay shown on bills is not shown in the audit register (Article 816 C. A. Code) and consequent check is not applied.	27. This was never done before, but has been adopted from 1895-96.
28. Scholarships have been rearranged and vary from the sanctioned scale but no order quoted.	28. According to the standing order quoted in the register, the scale varies not with the official year but with the calendar year, as such variation is caused under the above standing order by the Principals of the Colleges where these scholarships are held. The number and date of this standing order was quoted in the register.
29. Arrearpay not drawn separately.	29. As a rule arrears are drawn on separate bills, the case of Hobli and Taluk schoolmasters forming the exception, as they are very poorly paid and cannot be expected to follow Codal rules. This has always been the practice.
30. An improved method might be adopted for quoting number of voucher and month against entries in the audit registers.	30. Will be adopted.
31. Charges debitable to two or more heads of account are not drawn separately.	31. This has been the practice in regard to bills of Deputy Commissioners and Taluk establishments. The Deputy Commissioner is allowed one clerk for Sayer work, one for Stamps, one for Registration, and two for Magisterial work, and the rest for Revenue work. It will be an inconvenient procedure to prepare one bill for each clerk. The bill is therefore prepared for the whole establishment, noting however in red ink the different departments to which the pay of these clerks should be debited, *vide* Deputy Accountant General's Circular No. 25, dated 7th April 1863. Similarly, in the bills for Taluk establishments, the forms of which were prescribed in 1872 (*vide* Deputy Accountant General's Circular No. 900, dated 29th February 1872) the main item of charge is Land Revenue, and the other items are so small that the advantage of introducing separate bills is not worth the trouble involved.
32. Progressive totals of certain charges such as "Remuneration to village officials" are not made, and so comparison of	32. As the auditors pass the bills, they work out the figures on a separate piece of paper or on bills themselves to see that the

Deputy Auditor General's Remarks.	Comptroller's Notes.
expenditure with grant has apparently been omitted.	payment is within the grant. This is supported by the fact that not a single instance has been traced in which the payments made and passed by the Audit Department exceeded the sanctioned grant. From 1895-96 the amounts due are duly noted after each transaction.
33. So also in the case of Muzrai payments progressive totals and balances available are shown in the bill, but no note is made in the audit registers. The Treasury officer should furnish a plus and minus memo of these items.	33. The memo on the bills showing progressive totals and balances referred to serves as a plus and minus memo and is one of the improvements made subsequent to 1886-87, *vide* Circular No. 1732, dated 22nd October 1889. Progressive totals in the audit register will certainly be an additional check and will be introduced.

CONTINGENT AUDIT REGISTER.

34. The form of register maintained is No. 103, whereas No. 110 would be sufficient.	34. No. 110, I believe, is meant to be No. 10. The form of register maintained is No. 10, the very form suggested and not No. 103 as remarked.
35. Charges debitable to two or more major heads are drawn on one and the same bill and are recorded on the same page of the audit register.	35. This applies only to the bills referred to against para 31. No change seems desirable for the reasons stated therein and in Mr. Hudson's letter of 1873 to the Comptroller General in repy to instructions on similar objection noticed in the report of Mr. Taylor.
36. Sanctions are recorded on the body of the register or in the Remarks column which it is impossible to connect with any particular item.	36. Sanctions are recorded on the body of the register purposely to connect them with the items to which they relate when such sanctions are received with the bills. Sanctions received before receipt of the bills are recorded in the remarks column of the register, and when separate bills are received for pre-audit for the amounts sanctioned, the amounts passed are invariably linked with the orders by some star mark or other. In cases where the amounts sanctioned are included in the contingent bills along with other usual items, these charges are passed after reference to the authority quoted in the margin, but no connecting mark is entered. Omissions of connecting marks are rare and will be rectified.
37. Registers of special charges (Form 104) should be bound up with the establishment audit registers whenever special sanctions have to be recorded.	37. Not maintained from the commencement but will be maintained in future.
38. Supplies by Jail and other departments are not noted in red ink, but in black only, and the figures and register do not, to this extent, agree with the classified abstracts.	38. This has been the practice from the commencement and is not material. Will be rectified.

Deputy Auditor General's Remarks.	Comptroller's Notes.
39. The watch over the receipt of detailed contingent bills does not seem to be very strictly kept.	39. In the three District accounts for the year 1894-95 subjected to test audit, only one case was discovered in the District of Shimoga where the receipt of detailed contingent bill has not been recorded. Even this mistake was only apparent. The abstract bill in question referred to Sagar Sub-Division Officer against whom both the abstract and detail bills were correctly entered. But the abstract bill was also entered by mistake against the Sagar Sub-Division Munsiff and this mistake was allowed to remain uncorrected by oversight.
40. The charges of various establishments of the Education Department are mixed up in one register; it would be better to appropriate separate pages for the several departments and to break up the grant accordingly.	40. The objection evidently relates to the purchase of prize books, furniture, &c., which are made wholesale by the Inspector General of Education out of grants for the whole Province, and not for each institution. As these are supplied to the different institutions at his discretion, the grants cannot be broken up.

TRAVELLING ALLOWANCE REGISTERS.

41. In the audit registers grants have not been noted or progressive totals shown.	41. Under the British Government the travelling allowance bills are post-audited and is therefore necessary to watch the budget grant and the expenditure in order that treasury payment may not exceed the budget grant, but here all the bills are pre-audited and are enfaced for payment if the claim be admissible under the rules whether the budget provision admits of it or not, *vide* also Comptroller General's Circular No. 175, dated 19th May 1874. The provision in the budget is calculated on the average of previous years, and is taken as the probable requirements of the year, and not as the maximum grant not to be exceeded without sanction of Government. No purpose is therefore served by entering the grants, and the existing practice has prevailed from 1874.
42. In travelling allowance bills of officers the rate of their pay is not shown.	42. The form in use in the Madras Presidency adopted here, contains no column for it. In the British Government the entry of an officer's pay in the travelling allowance bills may be necessary to determine his class for calculation of the travelling allowance according to the class. But in the Mysore Government the travelling allowances are distinctly prescribed in the Appendices of the Mysore Service Regulations for each class of officers, and so there appears to be no necessity for entering the pay in the travelling allowance bills.

Deputy Auditor General's Remarks.

Comptroller's Notes.

GENERAL SYSTEM OF AUDIT AND TREATMENT OF CLASSIFIED ABSTRACTS.

43. In the classified abstract the "General Statement of Account" bears no evidence of examination or of being passed by a Gazetted Officer.

43. Ever since the formation of this office, the classified abstracts were not examined (except in three or four years) or passed by Gazetted Officers as provided in Article 1016, there being no such officers entertained. The whole office was divided into two Departments, *viz.*, Account and Audit, the former in charge of a Gazetted Officer styled the Chief Assistant, and the latter under a superior subordinate called Manager. The latter officer supervised audit of all kinds besides disposal of applications for pension, while the Chief Assistant had to superintend every other branch of Account work which were :—

(1) All the classified Abstracts and Objection Books.
(2) All the departmental accounts, (Public Works, Railway, Forest, Revenue Survey, Jails, &c.).
(3) Deposits and Bills, Stamp returns, Book-Depôt accounts.
(4) Detail Books and consolidated abstracts.
(5) Ledger and Journal.
(6) Budget estimates.
(7) Annual accounts.
(8) Loan accounts and Permanent advances.
(9) Records.

It was impossible for a single officer to follow the procedure prescribed by the Code in all its details and to examine these accounts. This was the case up to 1886. From this year onward these accounts have actually been examined and passed by the Chief Assistant and Assistant Comptroller as shown in the statement *appended. From this statement it will be found that except in 1889-90, 1890-91 and 1891-92, 57 percentage have been examined by the Chief Assistant and Assistant Comptroller; in two of the three years above noted, the senior Accountants in charge of the groups have passed these accounts. In 1891-92 none was passed for the reason given in the Statement. I may add that the abstracts were not passed by a Gazetted Officer before 1885-86 even occasionally.

In 1874, a post of Examiner on Rs. 125 (not a Gazetted Officer) was created to institute some sort of examination over the accounts, and to check and compile the Public Works and Railway Accounts but was abolished in 1879. Since then no arrangement was made for the examination of all the accounts.

*Statement of District classified abstracts from 1885-86 to 1894-95 showing the No. of times examined by a Gazetted officer.

Treasuries.	1885-86.	1886-87.	188 -88.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.
State Huzur Treasury	12 times.	9 times.	5 times.	2 times.	The group system was in force during these years accounts examined by Senior Accountants.		Not examined by any one. The Assistant Comptroller was in charge of the office, no Comptroller having been appointed.	12 times.	12 times.	.....
Bangalore District Treasury	Ditto	4 Do	5 Do	2 Do				9 Do	12 Do	10 times.
Kolar Ditto	Ditto	7 Do	5 Do	12 Do				6 Do	11 Do	9 Do
Tumkur Ditto	Ditto	7 Do	3 Do	4 Do				9 Do	11 Do	10 Do
Shimoga Ditto	Ditto	7 Do	2 Do	4 Do				6 Do	... ..	9 Do
Kadur Ditto	Ditto	8 Do	3 Do	.....				12 Do	12 times.	9 Do
Chitaldrug Ditto	District abolished.	7 Do	3 Do	.....				9 Do	11 Do	10 Do
Mysore Ditto	.....	.....	.....	.....				7 Do	.....	3 Do
Hassan Ditto	District abolished.	8 times.	3 times.	.....				9 Do	10 times.	10 Do

Deputy Auditor General's Remarks.	Comptroller's Notes.
44. The memo showing by whom extracted &c., bears initials of abstracter only but not of Examiner, Article 1016 C. A. Code not being followed, nor does any one initial as having posted the detail books.	44. We have no separate Examiner in this office. The Chief Assistant and now the Assistant Comptroller initials just below the grand totals whenever he examines them as explained above. The detail book-posters also initial in the same place. This has generally been the practice.
45. The total of major heads is continuous throughout for receipts and payments instead of being broken up into abstracts of major head totals [Article 1004 (8 and 10) C. A. Code].	45. The objection is not clear. In the body of the classified abstract the total of major heads is carried forward from page to page which is necessary. Abstract of receipts or disbursements by major heads is required to be made on separate pages provided therefor, but this was not done hitherto, as no necessity was felt for the same.
46. Separate running totals are not made for the 1st and 2nd lists, but only for the total of the month, which is agreed with the grand total of payment shown in the Cash account which includes the 1st and 2nd lists.	46. This has been the practice all along, and seems sufficient.
47. The classified abstract after completion is not passed by a Gazetted Officer before being made over to the Compilation department (Article 1016 C. A. Code).	47. *Vide* explanation para 43 *supra*.
48. In the case of the Huzur Treasury the accounts for July, August and September were seen and passed by the Assistant Comptroller on the 16th December. There is nothing to show that October, November or December's accounts were scrutinized.	48. The Assistant Comptroller examines and passes them (*vide* para 43 *supra*).
49. No blank space is provided at foot of the abstract for record of details of items composing a single entry, Article 1004 (3) C. A. Code. This causes much inconvenience both in posting and examining.	49. Will be attended to hereafter.
50. The practice is to charge gross payments in the list of payments with a per contra credit for recoveries effected or deduction made. This contravenes Article 317 (2), C. A. Code, and in consequence the schedules prescribed in Article 1004 (4), (5) and (7) C. A. Code are not maintained.	50. As all recoveries on accountof these Funds and other transactions connected with Her Majesty's Government had to be adjusted before the end of the month previous to 1886 (*vide* para 13, Comptroller General's letter No. 142, dated 8th May 1873), and twice a month from that year (*vide* Comptroller's Circular No. 1731, dated 17th October 1889) the Codal rule could not be followed in this Province without changing the entire system of the Jamakharch account in force since the formation of this office, and which has not been objected to by the Accountant General, Madras. Here again, we have a deduction on account of premia paid to Mysore Government Insurance Fund; these deductions are made from the Pay Bill when presented for payment, and certified lists of the recoveries are

Deputy Auditor General's Remarks.

Comptroller's Notes.

sent by 63 Taluk and 9 District Treasuries to the Secretary, Insurance Committee direct, who maintains a personal ledger for each one of the 1,800 and odd Policies already issued and records these payments thereon and communicates direct with the Treasuries concerned. The adoption of the procedure in Art. 317 (2) would entail on the Comptroller's Office the work now done by the 72 Treasuries without corresponding benefit. In cases of non-recovery, short-recovery, &c., the Comptroller's office would have to be made the medium of communication between the Insurance Secretary and the numerous Treasuries concerned. According to the Insurance Rules, various other difficulties would arise by following the Code. Hence one more exception than those referred to therein has been allowed in Mysore.

There is still another deduction in the case of House-building advances made during recent years which are very few in number and likely to disappear from the accounts before the close of the current year. Owing to their temporary nature and having been made on detailed instructions given, imposing upon the Treasury Officers themselves the responsibility of the due recovery of the instalments from the Pay Bills of the officers concerned, the simpler method objected to has been adopted.

Even before the Rendition certain advances made to Officers by the Secretary of State were so adjusted.

51. There are no abstracts of receipt and payments by major head at the end of each abstract.

51. Will be attended to.

52. As a rule vouchers have not the classification recorded on them in detail, the number of the major head chargeable only being noted; and where one voucher is chargeable to two or more heads, it is not easy to see at once how much belongs to each.

52. This omission had also been noticed by Sir James Westland. An improvement was made about 5 or 6 years ago in the form of the comprehensive taluk and petty establishment bills, so as to show the classification on the bills themselves. In those cases audit enfacement does not repeat the classification distinctly printed on bills, as it is unnecessary. In other cases the Major heads are entered, as the details can be posted in the classified abstracts directly from the bills. It has however been arranged to note the detail classification on audit enfacement from 1896-97.

53. Amounts advanced in one district and recovered in another are shown as Local Remittances. The original district debiting local remittances and crediting advances recoverable, and the second district crediting local remittances and debiting advances recoverable, which is of course all wrong.

53. In the years 1865 and 1874 Mr. Hudson introduced a system of Local remittances called "Remittances between Taluk and District Treasuries," "Remittances between Taluk Treasuries," *vide* his Circulars Nos. 91 and 1166, dated 21st August 1863 and 13th November 1874. These were used not only for cash Remittances but also for transferring Revenue

Deputy Auditor General's Remarks.

Comptroller's Notes.

and other receipts, as also some payments made from one Treasury to another to be credited or debited to proper revenue or service heads by adjustment entries. In para 3 (*c*) of his reply No. 1706, dated 4th August 1873, addressed to the Comptroller General, Mr. Hudson further explained what checks were maintained in his office over cash and other remittances such as the above.

Following the same system, all cheques drawn by the Chief Secretary on account of camp expenses were ordered to be paid in all treasuries of the Province debiting the amount to "Remittances to Huzur Treasury" in view to the adjustment of those advances in the latter treasury, where the Chief Secretary effected for the sake of convenience the adjustments sometimes partly by cash payment and partly by bills passed, and often by bills audited by this office. In the particular instance referred to, the Mysore Treasury instead of debiting the amount of cheque to "Remittances to Huzur Treasury," erroneously debited it to "Advances recoverable." When a bill was received in this office for adjustment of the advance in question as also of some other advances taken from the Huzur Treasury in the same month the former advance not being traceable in the Huzur Treasury Objection Book, the following adjustments were ordered to be made in conformity with the prevailing system.

Mysore District—to credit advances recoverable and debit remittances to Huzur Treasury.

The Huzur Treasury—to credit remittances and debit advances.

The advance item standing in the Mysore District Treasury had thus been transferred to the Huzur Treasury. A bill was received from Government in adjustment of advances taken from the Mysore and Huzur Treasuries. On receipt of this bill audited by this office, the amount was debited to the service head indicated on the audit enfacement and credited in adjustment of the advance thus transferred from Mysore and also of the items of advance already standing in Huzur Treasury which items are often indicated on the bills themselves or in the audit enfacement.

54. There is no remittance check registor, but a statement is prepared *at the end of the year* in order to assist in the agreement of debits and credits.

54. This has been the practice from the commencement and the following has been the check applied:—

When remittances are made from one Treasury to another, the Accountant who is in charge of the original Treasury accounts checks the debit in his account with the corresponding credit in the second Treasury

Deputy Auditor General's Remarks.	Comptroller's Notes.
	account and sets his initials against the credit item. Similarly the Accountant in charge of the second Treasury account checks his credit with the corresponding debit and initials the debit item. The difference is always verified from the monthly Cash Balance statement with the amount in transit. At the end of the year one general statement is prepared and verified with the Ledger. This system of monthly check thus exercised does not apparently appear to have been noticed. A cheek register has however been opened for the year 1895-96.
55. No proper system of making transfers exists.	55. Mr. Taylor and Sir James Westland's inspection reports of 1873 and 1878 also refer to it, but the present practice prevailed from the commencement and Mr. Hudson probably thought it unnecessary to elaborate it.
56. There are no progress registers to enable Superintendents and Gazetted Officers to exercise any proper supervision over the work of the Department or to keep them informed of the state of work.	56 & 57. These were never maintained and are not indispensable for an office where so many Departments and sections as elsewhere do not exist.
57. This remark applies generally to all branches of the office.	
58. Erasures, unattested alterations, and over-writing are very frequent.	58. Will be remedied as much as possible, but I do not think they are more frequent than in other offices.

HUZUR TREASURY.

59. This treasury is used as a sort of intermediate agency for the adjustment of accounts of various kinds, *e. g.*, the Banks of Madras, Bengal, Bombay, Messrs. Coutts & Co., London.	59 to 62. Local arrangement.
60. It also conducts the chief resource operations of the State.	
61. The balance of the account between British India and Mysore is also adjusted through this treasury.	
62. The accounts from each bank are received by the Comptroller and copied out into his book. The payments are checked in accordance with the rules laid down for operating on these accounts.	
63. After check, all the transactions are notified to the Huzur Treasury Officer in order that he may pass them through his accounts and they then are incorporated in the State Accounts.	63 & 64. This practice was introduced by Mr. Hudson in the year 1882-83. As all the transactions are carried on in the name of the Dewan and not that of the Comptroller, and as the banking accounts are submitted to

Deputy Auditor General's Remarks.

64. There seems no particular object in passing all these accounts through the Huzur Treasury accounts when they might just as well be dealt with directly by the Comptroller. The present plan only duplicates work unnecessarily.

65. As regards the account with the Government of India, which is adjusted through the Madras Accountant General's Office, the form of schedule might be altered to a regular debit and credit account instead of a sort of plus and minus statement.

66. All receipts and charges on account of British India which appear in the various districts of Mysore are combined in what is called a "Jama-karch" account, which is also passed through the Huzur Treasury.

67. This manner of dealing with what is practically an exchange account is cumbersome and unsystematic besides duplicating work.

68. It would be much simpler for the Comptroller to deal with all these transactions himself direct.

69. In the case of family remittances at a privileged rate, the amounts recovered from officers are at once adjusted in anticipation of the item appearing in Coutts' account. It would be better to credit such sums to a suspense head "Family Remittances" and make the necessary adjustment on receipt of the accounts from London.

70. As there is no system of making transfer adjustments as obtains in other accounts offices the following plan is adopted.

71. Adjustments made in the Comptroller's office on accounts from the Huzur Treasury are noted in red ink at the foot of the Treasury accounts; they are then treated as actual transactions and are posted in the classified abstracts in black ink and incorporated in the total, which is made to agree with the altered figures; thus the copy of the accounts filed in the Treasury does not agree with the corrected copy in the Comptroller's office.

72. When the adjustment affects an advance head for which separate accounts are kept in the Treasury, an intimation is sent to the Treasury Officer to enable him to reduce his outstanding.

Comptroller's Notes.

the Dewan monthly by the Treasury Officer, it is found expedient to embody in these accounts all the transactions carried on in his name though it entails a little extra work. There are some difficulties to adopt the suggestion made but will be considered and the Government addressed on the point.

65. The form was prescribed and used by the Accountant General, Madras, and may be altered if he approves.

66, 67 & 68. This procedure has been in existence from the commencement. So far as Her Majesty's transactions are concerned, the other Treasuries, under a local arrangement, have all along been treated subordinate to Huzur Treasury which is a central adjusting treasury, the Comptroller's office simply checking the District debits with the credits in the Huzur Treasury accounts and the District credits with Huzur Treasury debits. The system has worked satisfactorily so long and may be changed if required.

69. This will only introduce another item of account without any additional advantage. As the amount of P. W. cheques are at once credited in the P. W. accounts under "Remittances" before those cheques are cashed, the amounts of cheques drawn on Coutts & Co. are credited against their accounts, a separate register being maintained for watching uncashed cheques.

70 to 72. This has been the practice from the commencement. The adjustments and corrections are always intimated to the Huzur Treasury for corrections being made in its accounts. There is therefore no reason why the copy of the accounts maintained in the Treasury will not agree with the corrected copy in this office. We have always resorted to Transfer entries only in the adjustment of differences and errors made in one year and discovered and adjusted in another year. Adjustments of errors, &c., made in any year if adjusted in the same year have always been made in the Treasury accounts themselves.

Deputy Auditor General's Remarks.

Comptroller's Notes.

73. With each cash account is submitted monthly a statement of all outstandings on the Huzur Treasury books. It bears no evidence of check or scrutiny, and this is proved by the fact that adjustments in the Comptroller's office were not carried out in the Treasury, *e. g.*, items adjusted in June 1895 still appeared outstanding in the Treasury in January 1896.

73—74. There have been differences from a very long time dating so far back as 1881-82. They have been investigated in recent years and a correct statement furnished to Huzur Treasury in April last.

74. A list of actual outstandings was furnished to the Treasury on the 1st April 1896. The statements of outstandings shown by the Treasury was then abandoned and the Comptroller's list adopted and *copied out* and submitted with the Cash Account for April.

75. The one account is evidently no check on the other, and the whole process is waste of time.

75. This account is not intended as a check on Comptroller's work. Prior to 1872-73 no separate Objection books were maintained, but a statement showing the amounts paid and adjusted on account of advances and the balances was attached to Treasury Accounts, and the same practice has been continued in the Huzur Treasury. This office has taken no objection to the procedure as it enables the treasury to watch the progress of adjustment and also to give information to officers and Heads of Departments responsible for the unadjusted outstandings.

76. Very large advances appear, and many are outstanding from twelve to fifteen years. This matter will be referred to under my remarks on Advances Recoverable.

76. The total outstanding on 30th June 1895 amounted to Rs. 51,000 of which Rs. 27,000 was against the Dewan's office and Rs. 24,000 against other Departments. Considering the frequent movements to which the Dewan's office is subjected and other unforeseen charges incurred by it, and the large advances made to head-quarter offices such as Geological Survey for purchasing instruments, &c., the amount outstanding is not unduly large.

GAZETTED AUDIT BRANCH.

77. Hitherto an audit number has not been given to each bill.

77. Audit number was never given in this office. The object of giving such number is, I believe, to save the trouble of referring often to the Index. In our Province with a small number of Gazetted Officers there appears no great necessity for it From 1895-96 however it has been introduced.

78. Dates of births are not noted against each name.

78. The Code does not enforce it. In the Form for Audit Register a note is made to the effect that the date of birth may be given in the Audit Register in the case of uncovenanted officers. As we have no such classes as covenanted and

Deputy Auditor General's Remarks.	Comptroller's Notes.
	uncovenanted officers the information is not given and was never given before. They are noted in the Service Register.
79. When the audit registers now in use were opened the order still in force in the old register for transfer to the new ones were not marked by any responsible person, and some of these orders copied into the new register have not been initialled by a Gazetted Officer.	79. Articles 740 and 741 of the Civil Account Code provide in British Account offices for two officers, one of some intelligence for marking what should be retained and what left out, and the other for copying them, whereas in this office the Auditor himself does both. Under Article 743 a Gazetted Officer is required in such cases to initial the total salary in the first money column and not the orders copied out in the new register. This has been done.
80. Dates of receiving and making over charge are not invariably initialled by a Gazetted Officer. Certificates are kept in bundles instead of being pasted in files.	80. This is being done. The certificates are recorded with inward letters. They were always kept in bundles in this office.
81. Money columns have not been closed when payments ceased though orders to this effect are correctly recorded.	81. This was the practice. When payments ceased a line is drawn or the fact is noted in a line with the cage of the month in which payment ceased.
82. House building advances, advances on transfer, &c., have not been noted in the columns "Amount objected to," "Amount recovered," in the audit register, but fresh money columns have been opened under the deduction entries to show the instalments of recovery (Article 760, C. A. Code). Dates of payment are not entered in the monthly cages, but only voucher number and month of payment (Article 754 C. A. Code).	82. The Code directs that advances for House-building should be recorded in the audit register (see Art. 760) but does not prescribe where they should be recorded. Even before the Rendition the advances made by the Secretary of State to Mysore officers were included under "Deduction entries" and the same system has been followed. There are no advances on transfer.
83. No scale register is kept up and it is difficult to check the classes or grades of officers and impossible to see at a glance whether sanctioned scales have been exceeded or not (Articles 790, 791 C. A. Code).	83. This was never maintained but will be opened now.
84. The first edition of the History of Gazetted Officers, corrected up to 31st December 1891, was issued in 1893, and though there is an interleaved copy of this History, no subsequent changes have been noted, and it is in consequence not up to date and is not examined quarterly. When a new edition is required it will involve a good deal of trouble to produce it (Articles 784, 788 C. A. Code).	84. Was not maintained prior to 1885-86, the first one having been prepared and issued in December 1891. Owing to paucity of hands the details were not brought up to date, but arrangement has been made for noting the changes subsequent to December 1891 and a new history will be compiled at an early date.
85. The broad sheet of officers lent contains many erasures, and "Total due for this year" has already been filled up months before it should have been.	
86. No red ink line is drawn after the orders, objections, transfers and remarks of each year [Article 746 (3) C. A. Code].	86. Will be attended to.

Deputy Auditor General's Remarks. Comptroller's Notes.

PENSION DEPARTMENT.

87. This department reports on claims to civil pensions, and audits superannuation, political and military pensions.

88. Besides the pension work this section is supposed to check the establishment books and keeps the "Register of Muzrai grants" and "Petty construction and repairs of public buildings register."

88. This section does *really* check the establishment books, &c.

89. *Pension reports.*—Statements of services are checked with establishment books, also frequently by a reference to audit registers—the Code states that the latter check is not necessary.

89. When complete information cannot be had from establishment books especially for changes that take place after the submission of a year's schedule and before receipt of the next year's, reference is made to audit registers and sometimes to establishment bills also.

90. The Gazetted Officer in charge does not usually check the verification of one or two entries as required by Code—the reason given is want of time.

90. There is no Gazetted Officer sanctioned for the Audit Branch. My Manager has all along been checking and passing them.

91. The verifying clerk in checking "Statements of services" instead of noting in establishment books that services have been verified with date, merely ticks the entries in red ink and notes the date of retirement of an officer in the establishment book.

91. The verifying clerk does invariably note that services have been verified, in the remark column provided in the statement of services, but in the schedule he only enters the date of retirement as has been the practice all along.

92. In the case of Gazetted Officers, claims to pension are checked with the printed History of Services, but as the latest compilation is dated 31st December 1891, subsequent services have to be checked with Audit Registers. The establishment books do not show names of Gazetted Officers prior to 1894-95.

92. Arrangements will soon be made to have a revised edition. From the commencement the names of Gazetted Officers were not shown in the schedules, but since 1894-95 these names also are being shown in them

93. The register of applications for pension required by Article 842 C. A. Code, is maintained, but it is not up to date—the last entry being made on 12th April 1896. The return to Government required by this article is not submitted. The greater number of applications received in January 1896 and those received in February, March and April (with a few exceptions) have not yet been disposed of (May 20th).

93. The Deputy Auditor General's inspection of the office began on 16th March and ended on 15th July 1896, and the current routine work did somewhat suffer on that account.

94. *Register of P. P. Orders.*—The register of P. P. O. is in the prescribed form, although varying in the arrangements of the columns. The P. P. O. registers maintained for the three series of pension, *viz*,. Ordinary, Political, and Military, vary; the same form should be adopted for all three. The column "Personal marks for identification" is in very many cases left

94. Local arrangement.

Deputy Auditor General's Remarks.

blank, while in some cases the remarks are very ambiguous.

95. I notice in the Remarks column of P. P. O. register that in P. P. O. Nos. 2314 and 2463½ pensions were granted without any formal application or report by Comptroller. In the second of the two cases, *viz.*, that of A. Govinda Charlu, an Executive Engineer, the applicant was *dismissed* from the Public Service on account of misconduct and corruption, by Proceedings No. 3011-24—575-83, dated 10th June 1894. After repeated applications for reinstatement or pension, a compassionate pension of Rs. 90 per mensem was sanctioned in Proceedings No. 23623-5—G. 6105, dated 19th June 1895, without report.

96. P. P. O. No. 2576 is an account of a pension of Rs. 7-14-5 in lieu of a gratuity of Rs. 420 sanctioned in 1886. The facts of the case are as follow. The appointment of the applicant having been abolished, owing to the transfer of the Mysore State Railway to the Southern Mahratta Railway Company, an application for pension was submitted and reported on by the Comptroller. The pension applied for was not admissible under the rules then in force, and when a gratuity *not exceeding* Rs. 420 was recommended by Comptroller and sanctioned by Government, the applicant refused to draw the gratuity, and petitioned Government, with the result that Government refused to alter its decision, but recommended that the man be re-employed if possible. A suitable appointment was consequeutly offered him and refused as he had other remunerative private occupation. After a period of *ten* years a compensation pension of Rs. 7-14-5 was sanctioned with retrospective effect, *i. e.*, he now draws as arrears about Rs. 900, which is more than twice the gratuity to which he was originally entitled.

97. P. P. orders or certificates for military pensions are issued by the Military Secretary and are forwarded to the Comptroller for registration and issue of instructions for payment of pension.

98. Last pay certificates are filed with pension vouchers for first payment as no office copy of the report is kept.

Comptroller's Notes.

95 & 96. Government orders.

97. Local procedure.

98. Last Pay Certificates are, as a rule received with Pension Applications, and date of commencement of payment is determined and entered in the Pension Report, and the Last Pay Certificate sent with the Report to Government. Office copy was never kept, as the originial report is available from the Government records in the same building when required, which is but seldom. In cases where such certificates

Deputy Auditor General's Remarks.	Comptroller's Notes.
	are not received, it is specially noted on the P. P. O. sent to the Treasury Officers that no payment should be made without the production of a Last Pay Certificate and in such cases the certificates are received with pension vouchers for the first payment.
99. When payment of pension is transferred from one treasury to another, the old number of P. P. O. is allowed to stand, a note of transfer being made in Remarks column instead of a new number being assigned to it.	99. This practice has worked satisfactorily, and has the advantage of affording ready information as to the total number of pension cases sanctioned by Government. The proposed change will impose extra labor on this small office, in preparing new rolls whenever transfer is applied for, without adequate advantage.
100. Quarterly statements of pensions granted are not required by Government, and hence procedure laid down in Code in reference to it is not followed.	
101 *Register of Special Pensions.*—Not maintained. P. P. O. No. 2451 is an account of an extraordinary pension granted to the widow of an official killed in the discharge of his duties by a mad elephant. The pension, which is for life, is however payable to her son, if she should die before he attains eighteen years, and to cease on his arriving at this eighteenth year. It therefore comes under the special pension series.	101. There have been only two cases for the whole Province. A special note was made against both of them in the P. P. O. and Audit Registers by the aid of which the Test Auditors were able to make out readily the nature of the case cited. A separate register has since been opened.
102. Register of pensions by department is not maintained. The information required for budget purposes is prepared annually on a sheet of paper in a ± memo form in a total for the whole province.	102. This was never maintained, as being unnecessary, and the number of pensioners small. The total amount of pensions sanctioned during a year is worked out from P. P. O. register and added to the budget provision of the previous year, lapses during that year being calculated from the Audit Register and deducted from the aggregate total.
103. *Audit Registers.*—The entries in the Audit Registers are not initialled by a Gazetted Officer either at the time of the issue of a P. P. O. nor at the time of the opening of a new register. Fresh entries in the Audit Registers are not made at time of issue of P. P. O. but only when the charges come up for audit.	103. There was no separate Gazetted Officer for the Audit Department. Arrangement will be made to remedy the defect.
104. In the only case traceable of a pensioner re-employed whose pay and pension exceeded former pay, instead of reducing the pension as required by Code the excess was deducted from his pay and shown as savings.	104. An oversight in procedure. Will be remedied.
105. *Gratuities.*—The form of register is much more elaborate than that prescribed. Instead of the procedure prescribed in the Code for payment of gratuities, heads	105. Gratuities are mostly paid to menials, who immediately after their retirement from service return to their villages and do not turn up for months together to receive

Deputy Auditor General's Remarks.

of Departments submit bills for pre-audit on receipt of Government orders which are sent direct to them. These are passed for payment by Comptroller and noted against the gratuity sanctioned. Receipts are granted by Heads of Departments instead of by payees, and these vouchers after payment do not come up for audit again. This register is not reviewed by a Gazetted Officer once a quarter, and several gratuities are outstanding, no bills having been submitted for pre-audit. No notice has been taken of this by the office.

106. *Anticipatory Pensions.*—The register of orders is in a local form and separate from the audit register. The entries in the audit register are not consecutive for the province but are made according to districts. Prior to 1895-96 anticipatory pensions were included with ordinary pensions in the audit registers.

107. Great delay occurs in final settlement of almost every case in which anticipatory pensions have been granted owing chiefly to the late submission of pension papers by Heads of Departments. Taking one case, that of Devaragee for example, the applicant retired on 16th June 1893, his pension papers were submitted on 2nd August 1895, or two years and two months after retirement. The papers were sent to the Dafter Department for verification and allowed to remain there up to 26th February 1896, or a period of six months, and a pension was finally sanctioned on 26th March 1896, or two years and nine months after retirement. This is by no means an uncommon case.

108. There is nothing to show that the register is reviewed by the Comptroller twice a year as required by Code. There are at present four cases pending, of which two are of recent date, *i. e*, they were sanctioned in March 1896, but the men

Comptroller's Notes.

payments, naturally looking to the officers under whom they were last serving for payment of their gratuity. This has been the practice all along in this Province, and is found safer and more convenient as the gratuitants who are mostly illiterate menial servants are well known to their last superiors and identification is not required under this system. Under local arrangement this office is not called upon to notice such outstandings.

106. The register is in the prescribed form, but the columns provided for recording payments have not been opened, as they are recorded in a separate Audit Register. Prior to 1890-91, the practice was to instruct Treasury Officers by ordinary dockets to pay such anticipatory pensions. Since then, rolls prescribed for such pensions are issued, and two separate registers opened for entry of such rolls and for record of payments as in the case of ordinary pensions. This is more satisfactory, though somewhat more elaborate than what is prescribed in the Code. As the number of anticipatory pension cases was formerly small, it was thought sufficient to record the payments in the ordinary pension register distinguishing them from ordinary pensioners by noting in red ink—"Anticipatory Pension" above the name of the pensioner. But as the number gradually increased a separate register was found necessary in 1895-96.

107. Generally delay occurs in the Taluk offices, as there are only a few clerks in these offices, and they have to collect information from the old records of their own offices and sometimes from the records of other Taluk offices. Some delay also must be expected in the Dewan's office as the services rendered prior to 1863 have to be verified from the old vernacular records. The instance quoted refers to the case of a gollar (a menial) in the Chikmagalur Taluk office on pay of Rs. 5 a month, and it is an admitted fact that the old records of such menials are generally incomplete. Sometimes delay also occurs in the disposal of cases in which pensioners have rendered services both to Mysore and British Governments. (See also para 109 *infra.*)

108. As only a small number of anticipatory pensions is granted, no formal review is made by the Comptroller as required by the Code, but every time he signs a new order, he makes a special notice of other cases pending settlement. The delay in Mr.

Deputy Auditor General's Remarks.

retired on 8th October 1894 and 1st July 1895; while the other two are long pending. Mr. Ball retired on 22nd October 1894, and was granted an anticipatory pension of Rs. 40 per mensem on 30th May 1895. His pension papers have not yet been received by this office for verification and report. The other one was sanctioned in compliance with the request of Military Secretary with effect from 1st December 1893 on account of military pension. The case is still pending.

109. A fact that strikes me is the small number of anticipatory pensions granted (only 20 having been sanctioned during 1894-95 and 1895-96), and the great delay in the submission of pension papers. Article 1009 (*c*) C. S. R. provides that the settlement of such provisional payments should be made so as to admit of their disbursement *not later than one month* after the officer has ceased to hold his post. In the few cases in which anticipatory pensions have been granted, months, even years, have elapsed before the concession was allowed, whilst in the majority of cases the applicants (who are for the most part ignorant of the rules) must be put to great hardship and have no redress since the Heads of Departments are the chief defaulters.

110. When the final pension is sanctioned, the procedure in force prior to 1895-96 was to allow the audit of anticipatory pension to stand, and to continue the audit of the final pension from date of sanction. If the final pension was in excess of the anticipatory one, the amount of pension was corrected in red ink and the difference audited in the month of drawal. From 1895-96 final pensions are brought on the ordinary pension register and audit continued from date of issue of final P. P. O. in contravention of Note 1, Article 854 C. A. Code.

111. Returns of mortality of pensioners are not submitted to Government (Article 858 C. A. Code), nor are special annual enquiries made as regards the continued existence of pensioners over seventy years of age (Article 861 C. A. Code).

112. The audit is very little more than mechanical, yet half a dozen errors were discovered in the review of about 50 items. Erasures occur occasionally.

Comptroller's Notes.

Ball's case was due to his Service Register not forthcoming and his services having been partly under British Government and partly in Mysore and was therefore unavoidable. Under local arrangement, all Military pensions are verified and disposed of in the Military Secretariat, even permanent pay orders being prepared therein and sent to this office for note in the Audit Register and transmission to the Treasury Officers concerned.

109. In cases where the pension papers are complete and unobjectionable and sanctions are expected to issue in 4 or 5 months after retirement, it is not usual to issue anticipatory pension unless parties apply for them. As all the accounts and correspondence in former days were kept in vernacular and the maintenance of Service Registers was not strictly enforced, and as many of the officers had put in services both in this Province and other administrations, the Heads of Departments have been experiencing great difficulty in collecting information, and delay therefore has been unavoidable, though the Government has frequently impressed upon the Heads of Departments the necessity for prompt disposal of pension applications. Instances of gross delay are becoming rarer.

110. This is due to the fact that in 1895-96, a separate Audit Register was opened for anticipatory pension, *vide* remarks para 106 *supra*. It will, however, be remedied.

111. This was never done before in this Province as the number never exceeded two or three. In 1896 Government called for one and is under preparation.

112. On a review since made by me the following mistakes alone could be noticed (1) the vernacular names were not written in English, (2) in some cases the names so written were not attested, and (3) the pension due in one case for three months was entered in one cage without

Deputy Auditor General's Remarks.

Comptroller's Notes.

giving a bracket for the three cages. As regards the 1st and 2nd, the rule of transcribing vernacular names and attesting the same is not strictly in force in Mysore being unnecessary as the auditors employed in this office are acquainted with the language. The 3rd, is a clerical omission, payments made subsequently having been entered in their respective cages.

REVENUE SURVEY.

113 An account current is submitted by the Superintendent of Surveys which includes all transactions of the department.

114. The amounts drawn on cheques from the treasuries should be checked by means of the remittance check register, which however is not maintained.

114. This was never done, the number of cheques issued being small, the payments noted by reference to the Lists of Payments against each cheque in the body of the Revenue Survey account itself.

115. The amount of salaries paid from treasuries direct to officers on bills is shown on the account as so much received and per contra so much spent, the idea being to show all the charges of the department on one account. This procedure is incorrect.

115. This has been the practice for over 10 years. It was commenced by the Survey Superintendent for his convenience, as it gave in one account the whole of the receipts and disbursements of his department. It was not objected to by this office as it did not affect the correctness of this office accounts, the redundant entries being omitted from the classified abstracts.

116. There is no scale of establishment charges and no budget grant is shown in the audit register.

116. The Superintendent of this Department is empowered to make changes, additions, &c., at his discretion. No scale of establishment was ever maintained.

117. Batta, which is really a daily travelling allowance, is shown in the establishment audit register.

118. Similarly the contingent audit register, though divided up with a number of columns for different heads, only shows the total of the bill, and no grant is shown; charges for railway fares are included under this head.

117 & 118. The Audit of these charges is governed by local rules and not by the Account Code.

119. Charges on account of boundary pillars for survey of cultivated lands are recoverable from raiyats. Original bills are forwarded to Deputy Commissioners in view to the amounts being recovered. The charge is debited to "Advance Recoverable —Advances for boundary pillars," which receives the credit on recovery. No further notice is taken by the Accounts office, which leaves the responsibility of clearing the account to the Survey Department.

119 & 120. For recovery of these advances special arrangement has been made by this Government. The accounts received from the Survey Superintendent for charges incurred for erection of boundary pillars on cultivated lands and which are recoverable from raiyats are forwarded to the Deputy Commissioners through this office, who after noting the same in their registers pass them on to Taluk authorities concerned. A register is maintained of these demands in each

Deputy Auditor General's Remarks.

Comptroller's Notes.

case, to check these transactions. The total amount of such receipts is charged off in the same account as "Advance for conservancy and work." The monthly bill is charged off to "Forest working charges" by credit to the head of advance described above.

126. This intermediate adjustment appears quite unnecessary. Such amounts as are not adjusted to their proper head should appear as the balance against the account officer, the entire account being treated as a departmental account (Article 1051 C. A. Code and Note on Revenue Survey Account).

126. This system of adjustment is necessary as the cash with the Forest Department is treated as advance against that Department. The system and the form of Cash Account consistent therewith were prescribed by Mr. Hudson and sanctioned by the Chief Commissioner, *vide* explanation against paras 139 to 147 *infra*. They cannot therefore be changed without sanction of the Government.

127. A statement is submitted showing in detail parties to whom advances have been made, and the result of this statement in a plus and minus memo. That of the Bangalore Division shows 39 and that of the Plantation Division 27 individuals in account with the Forest Officer. The Comptroller has no means of checking such detail, and the return is useless.

127. The correctness of the total balance is checked with reference to the closing balance of the previous month, the amount drawn during the current month, and that adjusted as per Cash Accounts of Forest Officers.

128. The audit of the bills for "Forest working charges" is carried out as in the case of contingencies.

129. Budget allotments and corresponding charges are shown in appropriate columns of the register, but no periodical totals are made, so that grants and expenditure cannot be compared until the close of the year.

129. It was usual to work out progressive totals on separate slips. Arrangement has now been made to enter them in pencil in the registers themselves.

130. A case was noticed where a certain head had exceeded the grant considerably. The audit office took no notice at all, though, as a matter of fact, the Inspector General of Forests did make a transfer from one grant to the other.

130. The excess expenditure was duly noticed, and the Inspector General's letter making a re-appropriation had been received by the Auditor but before he could note it in the Audit Register the letter was taken by the Accountant in charge of letters of credit, for note in his register and was not returned by oversight.

131. The separate accounts for conservancy and works of the several divisions are submitted monthly, but a consolidated classified abstract of all these is only prepared once or twice a year for incorporation in the general books. The reason given is that the Forest accounts of any given month do not reach the Comptroller in time to be incorporated in his accounts for that month. There should be no difficulty in correcting this, but in any case accounts, as they are ready, should be brought on the books.

131. Before 1892 these accounts were brought on the general books only once a year as in the case of other Departmental Accounts. The practice has since been to incorporate with the General Accounts the Forest accounts as soon as they are completely received for the whole Province for any one month. As for instance, if all the Forest accounts for July are complete in September, they are entered in the General Accounts for the latter month, those for August being similarly included in the month in which they are ready.

Deputy Auditor General's Remarks.

132. These departmental accounts bear no trace of examination or review, nor are they passed by a gazetted officer.

133. They have never been properly completed, the gross totals in pencil having never been inked in.

134. As a rule the date of completion is not noted, so that there is nothing to show how long each account took to audit, or indeed whether it was audited before the end of the year.

Comptroller's Notes.

132. For want of examiners and Superintendents, senior Accountants were entrusted with these accounts but the Public Works and Railway Exchange accounts were invariably checked by assistant Comptroller as also the Revenue Survey account.

133. The Accountant who was in charge of the forest accounts and had entered the total in pencil having died a month before the Test Audit, the entry was not inked.

134. Will be rectified. On a reference to Audit Registers and the Detail Books, this information could readily be had, though on the accounts themselves, there was nothing to show when they were completed.

Khedda Accounts.

135. These also come under the Forest Department.

136. The total sum received by the Khedda officer is adjusted by the Comptroller to "Advance of the Khedda department," any disallowances by the Conservator are deducted from the charges for the month and the nett amount only adjusted.

137. The transactions of the department come on the general books at the end of the year.

138. Any improvement introduced into the Forest account would be equally applicable to this account.

General Remarks.

139. I have had an interview with Colonel Campbell-Walker, Conservator of Forests, and we discussed the whole system of accounts at great length.

140. We agreed that there is much in the system in force which is unsatisfactory; and that the matter requires careful consideration.

141. He had already arrived at the conclusion in which I also joined that the introduction of the system in force in British India would be in every way advantageous and would involve very little trouble to introduce.

142. The outstandings for which District Forest Officers and subordinates are responsible and which stand unadjusted are far too high.

139 to 147. The system of Forest Accounts and Forms now in existence were introduced after due consideration in 1877. The outstandings which are said to be far too high cannot be ascribed to any defect in the system of accounts, but to the circumstances explained in the Appendix E. on Forest Advances. The balances are reviewed periodically by the Head of the Forest Department and as regards the examination of accounts kept in the District Forest offices by an Inspector, it has been included in the scheme proposed by this office for Outside Audit.

Deputy Auditor General's Remarks.

Comptroller's Notes.

143. No steps are taken to have the balances periodically resolved into component items in view to further check and control.

144. I understand that there is an entire absence of account keeping of any kind among Forest subordinates.

145. The accounts of the Khedda Department require to be carefully looked into.

146. The late Inspector General of Forests proposed that an Inspector of Accounts should be deputed to examine the District Forest offices, but so for nothing has been done, and I doubt if there is any qualified person who could be deputed on this duty.

147. If any revision of the system of account should be decided upon, I would look into the matter more fully and submit a subsidiary report on it later on.

EXCISE REVENUE.

148. Since 1893-94 it has been the Comptroller's duty to exercise a detailed check over this head of revenue.

149. Elsewhere this duty devolves on the administrative officer concerned—he and the officers of his department being in a position to apply personal supervision and check which it is impossible to expect from the accounts branch.

150. The system in force tends to divide responsibility, each department trusting to the other to detect any difference and omission which may occur.

151. If the Commissioner of Excise devotes his attention amongst other things to the demand and the Comptroller furnishes him at regular intervals with statements showing realisations brought to credit, the division of responsibility is distinct.

152. Taking the system as it exists, the following paras describe it and contain suggestions as to any improvements which have occurred to me.

153. Each Deputy Commissioner furnishes monthly to the Comptroller two statements in detail of taluks (No. 1) showing demand, collections and balances under the several heads of Excise. Any remissions, and the order sanctioning them, are also exhibited—one statement represents the share of revenue to be credited to Gov-

148 to 182. So far as these accounts are concerned this office stands in the place of the Revenue Account Department and exercises such checks as are required to be done in that Department. The system and Forms of Accounts do not therefore fall within the regulations of the Account Code. The Forms and Registers now in use are those prescribed by the Government.

Deputy Auditor General's Remarks.

Comptroller's Notes.

ernment and the other that assigned to Local Funds.

154. Where demands are more or less fixed, as in the case of sale of farms for a lump sum for the year, a certain check can be applied; but where the demand is variable, as in the case of stillhead duty etc., and depends upon the quantity of arrack etc. sold to dealers, no check is possible.

155. The Comptroller therefore can only exercise a Comparison between the realisations and the demands reported to him, and such demand he must accept as correct.

156. The next statement received is one of monthly realisations (No. II) supported by chalans, which shows the total daily receipts of the *District* under all heads.

157. One each of such statements is received for arrack, toddy and miscellaneous receipts.

I. Arrack.

158. (*a*) *Still-head duty*:—Arrack or country liquor is manufactured by Messrs Parry & Co., who have the monopoly, at the Central Distillery in Bangalore. Supplies are made to the depôts in the districts as necessity arises, and the amount of such supply is paid to the manufacturers at 10 annas 6 pies per gallon by the Bangalore Treasury and charged under "Advances" to a head "Price of country liquor." Arrack is issued from the depôts to vendors on payment of Rs. 4-10-6 per gallon, Rs. 4 being credited at once to "Excise—Duty on arrack" and to "Local Cesses"—"Arrack duty" sixteen-seventeenths to former and one-seventeenth to latter, and 10 annas 6 pies, the actual price of the liquor, being taken to "Advances—Price of liquor."

159. In the case of arrack, in order to check the daily aggregate entries under the several heads, a broad-sheet (No. III) is prepared by the Comptroller from the chalans which produces the daily transactions, under separate heads (Quantity, Price of liquor, Duty) for each taluk.

The totals of Nos. II and III should agree and should also be checked with the Treasury accounts.

160. I would here observe that in order to prepare No. II, which is an epitome of the district transactions, the Deputy Commissioner must have been obliged to prepare from his accounts and chalans a statement to correspond nearly with No. III

Deputy Auditor General's Remarks.

which has to be prepared by the Comptroller. It would seem therefore that such statements might as well be sent on to the Comptroller.

161. In this case the Deputy Commissioner might be saved preparing No. II and the Comptroller No. III. All the latter whould have to do whould be to compare the chalans with the statement which it is suggested the Deputy Commissioner should submit in detail and in place of No. II.

162. (*b*) *Rental or purchase money from vend farmers or separate shops.*—The exclusive privilege of selling arrack is put up for auction and sold to the highest bidders. At the beginning of the year a statement is received from the Excise Commissioner showing the names of parties to whom the farms have been allotted and the amounts of rental for the year which is payable in the local treasury in monthly instalments of one-twelfth the annual rent. It therefore follows that the demands under this head for the month is one-twelfth of the annual amount. No difficulty is encountered in checking the demands. The demands should as a rule be realised every month in full, as the rules on the point are very precise.

163. The present system of check is elaborate and quite unnecessary. The chalans supporting items shown in the realisation schedule are posted in a day book, and from the day book the personal ledger of each shopkeeper or vend farmer's account is written up. Apart from the elaborateness of the check the system is at fault. This office has no concern with petty farmers and shop-keepers. All that is required is to see what the demand of the month has been and how much has been realised out of it and what the balance outstanding is. It is clearly the Local officers' duty to see what farmer has paid his rent and what shopkeeper is a defaulter. I would suggest the doing away with the day book and personal ledger account altogether.

164. (*c*) *Foreign Liquor Fees.*—No check is exercised either on the demand or on the collections save the examination of the chalans. The Excise Commissioner should be asked to submit at the beginning of the year a statement showing the number of shops to which licenses have been granted and the amount of such fees. The demand could then be checked and the realisations watched.

Comptroller's Notes.

160 and 161. The statement No. II is only an abstract of the total collection of each day prepared from the daily accounts of Taluks. This form is accompained by the chalans in support of the collections entered against each District. This is not prepared by the Deputy Commissioners but by the Treasury officers and sent to them. The Treasury officers do not prepare any statement to correspond nearly with No. III. I do not therefore see how any work can be saved in this office.

164. Will be attended to.

Deputy Auditor-General's Remarks.

Comptroller's Notes.

II. Toddy.

165. (*a*) *Date Toddy from Govt. farms and Inam villages.*—Same procedure as "I. Arrack—(b) Rental or purchase money from vend farmers or separate shops," and similar remarks.

166 (*b*) *Bagani Toddy.*—Same procedure as "I. Arrack—(b) Rental or purchase money from vend farmers," as regards the sale or renting of the trees, but no day book or ledger is kept as the amount of receipt under this head is small. At the end of the year a total of collection is made and compared with the amount for which the trees were sold. The suggestion as regards the check of the monthly demands made under "I. Arrack—(b) Rental money of vend farms," applies here also. In case of the bagani toddy the realisations of the month is generally shown as the demand for the month. It sometimes happens that the rent for the year or for the quarter is paid up at once, in which case the demand instead of being one-twelfth of the annual amount payable is the amount actually realised. I think it would be preferable to show the demand as one-twelfth of the annual amount and the actual collections as such. If the latter exceeded the former the balance would be a minus balance.

III. Miscellaneous Receipts.

167. (*a*) *Beer License Fees*—The above only appears in the Bangalore District. The exclusive privilege of selling country beer or porter in each of the three taverns in the Bangalore City is sold by public auction. The procedure is the same as in the preceding case, the sale price being notified to this office by the Excise Commissioner. The monthly demand is one-twelfth of the sale price.

168. (*b*) *Still-head Duty.*—A duty of two annas per gallon of the country beer or porter purchased by the licensee is realised. As the beer is purchased only from a firm of brewers in the Nilghiris, and as the consignment of the beer purchased is sent direct from the brewers to the Amildar of the Bangalore Taluk, who grants a pass for the removal of the said beer only on presentation of the chalan on which the duty has been paid, the check is both easy and complete.

169. (*c*) *Ganja Contract.*—The exclusive privilege for the wholesale vend of ganja and its preparation, except halva, in the whole province, except Civil and Military

Deputy Auditor General's Remarks.

Station, during the four years from 1st July 1893 to 30th June 1897, was granted to Messrs. Bajjanna and Maigundadeva Mudaliar, who guaranteed to Government a minimum revenue as noted in the margin, which is payable in twelve equal monthly instalments on or before 20th of each month.

	Rs.
1893-94	12,500
1894-95	13,000
1895-96	13,500
1896-97	14,000

170. The contractor is allowed to pay into the taluk treasuries or into the Bangalore District Treasury fees at the rates noted in the margin on wholesale sales of ganja and preparations thereof. If the total amount of fees paid into all the treasuries be not sufficient in any one month to make up the instalment of the guaranteed amount for that month, the contractor shall pay such further amount as may be required to make up the deficiency. On the other hand, if the said fees exceed the said instalment, the excess shall be available to make up the deficiency in any other month of the same official year.

	As.
Ganja per seer of 24 tolas	6
Majum or other preparations	2

171. A broad-sheet, which will bring together all the realisations in the different districts, seems necessary, as otherwise it is not possible to ascertain whether the instalment has been paid in full, or whether in excess, if so, how much is available to be carried over to next month's account.

172. There is another point to be noticed, *viz.*, that the contractors guarantee a minimum annual revenue, but that fees at the rates fixed have to be paid into the treasuries for every seer of wholesale sale of ganja. Or in other words, that if the fees from the wholesale sales of ganga fall short of the guaranteed amount, the contractors have to make such deficiency good; but if there is an excess, that excess beyond going to make good any deficiency in the next or some subsequent month's instalment, accrues to Government, and is not refundable to the contractors if there happens to be an excess at the end of the year. As a matter of fact, the revenue guaranteed to Government during 1894-95 was Rs. 13,000, whereas Rs. 22,000 odd hundreds were actually realised. It will thus be seen that whilst this office can check the minimum amount guaranteed, it has no means of checking the actual realisations, as the extent of wholesale sales are not known nor notified by the Excise Commissioner.

Comptroller's Notes.

171. No broad-sheet of the amounts realized on account of Ganja is necessary, as the contract is for the whole Province and taken up by a single firm and as the total amount can be ascertained from the consolidated account prepared in the General branch.

172. Arrangement will be made for obtaining from the Excise Commissioner a statement shewing the sale of Ganja to check the amount realized in excess of the minimum guaranteed amount.

Deputy Auditor General's Remarks.

Comptroller's Notes.

173. (*d*) *License Fees for retail of vend of ganja.*—Out of the 108 shops in the province, license fees are realised only from 16, the remainder being classified as 4th class and therefore exempt.

174. Out of the 16, 6 are 1st class shops and pay Rs. 10 each per mensem; 2 are 2nd class and pay Rs. 5 each, and 8 are 3rd class paying Rs. 2 each. There is no difficulty in checking either demands or realizations.

175. (*e*) *Opium License Fees.*—The ganja shops are to be allowed opium licenses, the shops being divided into four classes. There should be no difficulty in this check, but a surcharge of four annas on sales of every seer in excess of sixteen seers of opium per mensem which is levied under Government notification is not susceptible of check as this office has no data to work upon.

176. *Sale proceeds of Malwa Opium.*—Malwa opium is procured from the Opium Agent, Indore, the price being variable. The cost plus incidental charges is debited to "Advances for purchase of opium." The opium is sold in the districts at Rs. 9-6-0 per seer, and the total realisation is credited to purchase of opium under Advances. At the close of the year statements are compiled in this office showing total amount purchased during the year, and cost, and the total amount realised on account of sales. The excess of the latter over the former is then transferred to "Excise—Gain on sale proceeds of opium." It would appear at first sight that the credits are greater than the debits under this head, since the sale proceeds exceed the cost, which would be obviously improper, but as there is always a large quantity of opium in hand which has been paid for and charged to "Advances," the gross credits do not exceed the total debits under this head. I do not see any serious objections to the present practice. The opium being purchased at a variable rate to which incidental charges, which are always of a fluctuating nature, are added, it is difficult to arrive at the actual gain on each transaction unless an arbitrary rate be fixed. Under the present system the actual excess of sales over cost price of opium purchased during the year is credited to Excise.

177. The opium is received into the Huzur Treasury, which acts as a central department. Issues are made to district treasuries as occasions arise, and a statement of such issues is forwarded at the end of the month to this office.

Deputy Auditor General's Remarks.

178. These statements do not bear any signs of having been checked by a reference to credits afforded in the district ± memos., nor are the latter checked beyond a comparison being made of the amount shown as sale proceeds with the amount credited in the cash account. The amount of dryage and wastage is deducted monthly in the district ± memos., such deduction being supported by vouchers which are adjusted in this office by a debit to service head "Loss on sale of Malwa opium" and by a credit to "Advances," "Dryage and wastage."

179. No authority is required for these writes-off, but a statement is prepared at the end of the year in district detail showing the dryage and wastage in each month. This statement is forwarded to the Excise Commissioner.

180. (*g*) *Interest, Notice Fees and Fines and Confiscations.*—Interest on arrears, notice fees, and fines and confiscations cannot be checked unless the Excise Commissioner furnishes a statement showing the demands made on the above accounts.

GENERAL REMARKS.

181. I believe there would be little difficulty in dealing with this branch of the revenue on the same lines as those followed in British India. In such case the Comptroller's office would be relieved of a considerable amount of work which ought to be done and part of which is also now done in the Excise Department, while the check could be made equally effective.

182. If, however, the system is retained, there are certain processes which might be simplified, while the check in certain cases should be made really effective.

Comptroller's Notes.

BOOK AND COMPILATION DEPARTMENT.

CLOSING OF THE BOOKS AND ANNUAL FINANCIAL STATEMENT.

183. I find that the Financial statement for 1894-95 is still in the Press (May 1896). The statement prepared by the Dewan for the usual annual Dasara gathering has naturally anticipated the contents of the regular official review prepared by the Comptroller. None the less, the statement in question should have been ready sooner, especially as the draft proof is dated the 15th September 1895.

183. The Financial statement is invariably printed and submitted to Government before the Dewan prepares his Dasara statement. That for 1894-95 was so prepared by the Comptroller on the 15th September 1895 the date on the printed copy referred to, and six copies were submitted to the Dewan, from which he prepared the statements required for his speech. Then a few corrections according to Revenue accounts were found necessary, and were ordered to be made. Owing to pressure of other work in 1895-96, there was unavoidable delay in having the revised copy printed in time.

Deputy Auditor General's Remarks.

184. The Financial statement does not begin with a complete statement of accounts as taken from the closed books of 1894-95, but proceeds at once to review the financial results of the year with the assistance of various appendices.

185. I have therefore prepared a general statement of account as on the 30th June 1895.

186. I find that in order to enable the Dewan to make a statement at the Dasara which shall contain figures which exactly agree with those on the Comptroller's books, the preparation of the final accounts is hurried, and in the case of 1894-95, the detail books (a consolidated abstract has only recently been adopted) were compared with records in the Dewan's office and certain alterations were made, the Detail Books and statements in the Dewan's report having been made to agree; the figures in the Detail Books were posted into the ledger which was finally closed.

187. No further adjustments being allowed any that were necessary had to be brought into next year's accounts.

188. Now the year ends on the 30th June, and June's accounts cannot be got into the classified abstracts before the middle of August, and there are various other accounts which cannot be completed till the end of August or beginning of September, so that it is quite impossible to get all what are known as "preliminary" and "final" entries into the books in time for the Dasara statements. Such alterations as result from the comparison of the Detail Books with the Revenue Department figures at the last moment are made in a hurried informal manner and not by any system of transfers; and in 1894-95 the Detail Books were so cut

Comptroller's Notes.

184. The books could not be posted before the figures are required for the Dasara speech, as our official year closes on the 30th June and the June's final accounts can only with difficulty be closed before the 15th of September, after which the books have to be posted for the month of July. Even before 1885-86 when the official year ended in March the statements required for Dasara reports were not given from the closed books nor prior to the Rendition were the statements appended to the Financial reports prepared from them.

185. The books were all ready posted at the time of Mr. Biddulph's inspection.

186. From the commencement Detail Books and consolidated abstracts were maintained in the form prescribed in the Code. It was only since 1892-93 a more elaborate form, which served both as Detail Book and consolidated abstract, was prepared under Government orders, which has subsequently been given up, *vide* this office letter No. 6499 and Government order thereon No. Gl. 23308—R. 3394, dated 11th May and 15th June 1895.

187. No corrections under Revenue and Service heads are made in next year's accounts; but when Debt or Remittance heads are concerned this procedure is adopted, Art. 1081 (*b*). In the British Account offices corrections are permitted to be made up to 15th December, 7½ months after the close of the official year. Even with this long period allowed for adjustment of corrections the possibility of omissions is recognized and such omitted corrections are allowed to be made in subsequent years if they relate to any Debt or Remittance heads.

188. Preliminary and Final accounts were never prepared in this office even before the Rendition when accounts were being sent to the Comptroller General. All corrections and additional entries are now made up to a certain date prescribed by this office according to the dates on which the Dasara falls and the accounts finally closed once for all.

In para 186 *supra* it has been explained that for the years 1892-93, 1893-94, 1894-95 a new form prescribed by Government was adopted which served both as a Detail Book and also a consolidated abstract. This was prepared and posted monthly and not like the Detail Books for the whole year. It is not

Deputy Auditor General's Remarks.

up and corrected that fresh copies had to be made This copy is not initialled by any one, and from it the ledgers were posted.

189. This extreme hurry to close the books before they can by any possibility be ready, and the endeavour to make entries final so that no adjustments may be made after the production of the Dewan's Dasara statement, prevents the proper and careful closing of the books, the preparation with the requisite care of the various annual statements, &c., and the result is that once the struggle to get such figures as are available into the Dewan's statement is over, any other statements or reviews which should accompany the closing of the books are allowed to lie over indefinitely. As I noticed above, the Comptroller's annual financial statement is still in the Press.

190. Now it seems to me that it would be better in every way if the Dewan were to adopt what is found by the Government of India to be the only workable method, and be satisfied with the revised figures of the recently closed year. These, it is presumed, would be sufficiently near for all practical purposes. The efforts of the accounts branch would then be devoted to making these revised figures as reliable as possible, and the accounts for the year would eventually be closed in a proper business like and methodical manner, which is quite impossible at present, and the absence of which more or less tends to demoralise the whole accounts office.

Comptroller's Notes.

correct to say that the Detail Books for 1894-95 were cut up. It has always been the practice in this office to make all corrections relating to Revenue and Service heads in the Treasury accounts themselves making the necessary plus and minus entries in the Detail Books of the month in which the corrections are made. These were never passed through Transfer Entry Books *vide* Previous year's Transfer Books. It was the monthly account of June prepared in the form above alluded to that was cut up, owing to corrections made at the time of Dasara. A clean copy for that month was therefore made.

The Dasara of this year having fallen earlier than usual, a more than usually early date had to be fixed for closing the accounts, and the corrections intimated by the Departmental officers subsequent to the preparation of June's account, had to be made at the time of Dasara. These corrections were therefore too numerous to be effected by plus and minus entries and moreover this new form did not provide columns for such entries ; the corrections had therefore to be made in the body and a clean copy prepared of the whole accounts.

189. There is no doubt that in consequence of this hurrying on of the accounts, this office is obliged to labor under very great pressure and strain every nerve to complete the accounts before the commencement of the Dasara. But it is not fair to say that it prevents the closing of the Books properly or with care and attention. The mere fact that the accounts were found substantially correct after a Test Audit extending over 4 months shows that this haste had not materially affected the accuracy of the accounts. It will certainly be an advantage if more time can conveniently be allowed.

Deputy Auditor General's Remarks.	Comptroller's Notes.
Detail Books.	
191. The postings in the Detail Books receive no check at all. Article 1063 C. A. Code directs that each page shall be initialled by the poster and checker.	191. From the commencement no separate hand was provided for checking the postings in the Detail Books. For this reason a reliable Accountant of standing has always been placed in charge of these Books. He checks the postings made by himself. The Assistant Comptroller before he passes the consolidated abstracts examines a certain percentage of the postings in the Detail Books and then initials the consolidated abstracts as explained against para 43 *supra*.
192. The heads of account might be printed, and to prevent risk of wrong postings the districts should be numbered on both left and right hand pages.	192. Arrangement will be made for printing the headings hereafter. The number of Treasuries being small, the necessity for numbering on both pages has not hitherto been felt.
193. Margins are insufficient for binding purposes.	193. Will receive attention.
194. Cross totals are not made at the end of each open sheet and carried over to the second sheet when two or more pages are assigned to a minor head (Articles 1061-3 C. A. Code).	194. Ditto
195. Erasures, unattested alterations, and over-writing are frequent.	195. Will be avoided.
196. The method prescribed for adjustments by transfer entries has not been adopted, and the arrangement for recording these is very imperfect.	196. *Vide* para 204 *infra*.
Ledger.	
197. Is fairly neat, but under certain debt heads, district details are posted, which is not in accordance with usual practice, and tends to encourage indiscriminate use of the ledger by the Audit Branch, and the destruction of the independence of each section, and the proper check which the books should supply over the Audit figures.	197. No broad-sheets having been ever maintained in this office for these Debt heads, the practice has always been to show District details in the Ledgers themselves. There was no independent Book Department till very recently and the substantial correctness of the accounts show, that no abuse of these Ledgers had ever been made and that the checks exercised have been found practically efficient for the past 30 years. Even the Comptroller General in para 46 of his letter of 1878 presumably permits showing the District-war details in Ledger when the Funds raised in a district are to be appropriated for expenditure within that district. He objects to these details in the Ledger only where the Fund is a Provincial one.
198. The ledger for the years 1887-88 to 1893-94 inclusive were left incomplete, unbalanced, and unclosed till 1894-95, when they were also made up in arrears.	198. The rules regarding the verification of balances have not been followed in this office till very recently. The Ledger and Journal were for the first time introduced

Deputy Auditor General's Remarks.

Comptroller's Notes.

aggregates of those totals with the totals given in the Consolidated Abstracts. The check is *not* omitted, but made with the disburser's accounts themselves instead of with an intermediate statement prepared from the above accounts in the form of statement of disburser's account prescribed in the Code. This has always been the case and no notice of the absence of this intermediate statement appears to have been taken on previous inspections.

202. The provincial cash balances report is checked with the general statement of account on the consolidated abstract by the resource clerk. But no superior officer, either Superintendent or Gazetted Officer, appears to pass the consolidated abstract or the general statement of account.

202. As already explained against para 43 the consolidated abstract is examined and initialled by the Assistant Comptroller and passed by the Comptroller, and when examining them the entries in the general statement are verified though the initials of the Assistant Comptroller are not repeated on those statements also.

203. There is no disburser's statement. This is a most important compilation and the *one* means the Comptroller has of seeing that his accounts are correct (Article 1053 *et seq*, C. A. Code).

203 *Vide* para 201 *supra*.

TRANSFERS.

204. There is only a very elementary system of transfer entries, and it is quite impossible to secure proper book-keeping unless these entries are systematically incorporated in the accounts. For cash recoveries of service payment no transfer entries are made (Article 992 A, C. A. Code), but credit is given if possible to a corresponding receipt head, if not to Miscellaneous.

204. Transfer entries are made in the case of adjustments in inter-departmental and other transactions, and also in the case of all corrections of errors affecting debt heads made in one year and corrected in another year. All errors made in any year and corrected in the same year are not passed through transfer entry book but are noted in the treasury accounts themselves.

Mr. Hudson, in his reply to the Comptroller General's instructions, reported (*Vide* para 17 of his No. 1706 dated, 14th August 1873), that the instructions contained in Circular No: 143, dated 17th June 1873, which corresponds with Codal procedure was being followed. But in 1878 the Comptroller General again noticed the omission on Sir J. Westland's report. The old system was however continued by Mr. Hudson without modification till he retired and has since been kept up. The procedure in the Code will be adopted hereafter. Cash recoveries are directly credited to service heads, and so they dont pass through transfer book. This also has been the practice all along but will be modified hereafter.

Deputy Auditor General's Remarks.

205. It was noticed in the transfer book that entries once made are frequently altered subsequently both as regards head of account and amount.

206. There is no transfer ledger or journal (Articles 1090, 1092, C. A. Code). Erasures in the journal and ledger are frequent.

207. The trial balance sheet is only prepared annually.

208. The ledger and journal for 1895-96 were only written up to October 1895, and the consolidated abstract prepared up to December 1895 by the middle of June 1896.

Comptroller's Notes.

205. Sometimes original entries were corrected when necessary in the light of further subsequent information or other causes. This was the practice even before 1885-86. (*Vide* transfer entry books of the period). All corrections so made have been attested by responsible officers.

206. Will be introduced and erasures will be avoided as far as possible.

207. This practice was followed by Mr. Hudson till he retired though on Sir James Westland's inspection in 1878, the preparation of quarterly trial balance sheet was advised. The same practice is continued but sheets will be prepared half-yearly or even quarterly if required.

208. Office was busy with the Test Auditors and moreover in this Province, the Official year ending on 30th June, books of any year could only be completely written up at the end of November following.

RETURNS.

209. Monthly statements of departmental revenue are prepared for submission to controlling authorities but are never up to date.

210 The Forest statement for December, due the 29th February, was only despatched on the 17th April; and the statement for January had not been despatched by 7th of June.

211. The consolidated abstract for September 1895 was due to Government on 20th November, but was not despatched till the 21st December; and the consolidated abstracts for October, November, December, January, February and March, which are all over-due, have not yet been submitted.

212. The Registration, Education and Amrut Mahal statements for December, due in February, were despatched in March; and those for January, February and March have not yet been sent out (7th June).

213. The outwards accounts-current of the Public Works Department, General, Sanitary and Railways branches, are due for

209. There was delay this year as the office was busy with the test audit. The statements were furnished in previous years on due dates as far as possible.

210. For the reason explained above and on account of illness of two senior Accountants both of whom subsequently died, there was some delay in the submission of the monthly statements. In the months in which the Forest D. C. B. statements are received from the Forest Department, earlier than usual, *vide* para 123, they are returned verified and no statements of Forest receipts are sent from this office as being unnecessary for such months.

211 to 215. *Vide* para 209 *supra*.

Deputy Auditor General's Remarks.	Comptroller's Notes.
despatch on the 30th of the second month; those for December and the end of February were despatched on the 19th April; and January's has not gone out yet (7th June).	
214. Statement of receipts of the Huzur Treasury for March, due 15th April was despatched on the 16th May.	
215. Other returns were noticed as overdue.	
216. No returns of receipts are sent to the Excise, Police or Jail Departments.	216. Excise revenue accounts are audited and compiled in this office by a separate branch maintained for that purpose and agreement is effected monthly between this office and the departmental accounts. No monthly statements are therefore necessary. Police and Jail receipts are very insignificant and no statement was ever furnished before.
217. These returns, which are prepared in the sections of the office concerned, are not certified to as "agreed" with the figures on the general books by the Superintendent of the books and compilation section as is absolutely necessary and always enforced elsewhere.	217. These returns are initialled by the Detail Book keeper as to their agreement with the Detail Books, there being no separate staff of Superintendents in this office.
218. There is no definite detailed "Review of balances" at all. The only statement which is prepared is that which appears in the annual Dasara financial review, but there is no systematic reconciliation of book and account balances.	218. This was never done from the commencement. *Vide* Comptroller General's instructions on reports of Mr. Taylor and Sir James Westland. It was only in recent years some of the balances have been verified and adjusted, or are still awaiting adjustment and some are in course of verification.
219. There are no monthly broad-sheets, so that at the end of the year when differences in balances are detected—if they are—they cannot be rectified till the next financial year, as all books must be closed before the Dasara returns can be compiled, the hurry and confusion which this involves precludes the possibility of any methodical adjustment or closing of the books.	219. It has not been usual to have monthly broad-sheets. Till the Rendition there were no Dasara Returns and for ten years after that till 1891-92, the official year closed in March so that we had ample time to close our accounts properly and adjust all differences without hurry. Even subsequent to 1891-92, every care has been taken to prevent such differences and I may state that long standing differences have been verified and correctly adjusted during this period as will be shown elsewhere. Such differences had been referred to in the Comptroller General's instructions on the Test Audit of Mr. Taylor and Sir James Westland and their reconciliation were attempted only in recent years. Monthly broad-sheets will, however, be opened for the current year.

Deputy Auditor General's Remarks.

225. Interest is only calculated in some cases when sums are brought to credit. Interest not being worked out up to date on which it falls due, it is not possible to see what the exact state of the account was on the last period when it fell due.

226. The various columns in the ledger are not used for the purposes for which provided; sometimes the column "Account of interest demand" being used for this legitimate purpose, at others the amount due is entered under the column for "Calculation of interest," and again a sort of plus and minus memo is worked out to show how the loan stands.

227. The columns provided are absolutely necessary, and the result of not using them is that as a rule the record of loans is very untidy and almost impossible to understand.

228. It was found that in some cases when an instalment was paid in, interest was first calculated to the next period when it would fall due in advance (in some cases many months), and what remained went to reduce the loan. This is of course unfair to the debtor—any sum not required to cover interest up to date should of course go to reduce the outstanding balance of the loan.

Comptroller's Notes.

225. The majority of the loans have been granted on condition of repayment in annual instalments including interest. In the case of loans on which interest has been ordered to be levied monthly, the requisite details are duly shown. The amount of interest due is invariably made up when the broad sheet is prepared at the end of the year, and that for the year 1894-95, which the Deputy Auditor General saw, furnished information as to the state of the account on 30th June 1895.

226. This is the case in regard to a few loans in which counter-interest had been permitted by Government on instalments or parts of instalments paid before due dates. In cases where the instalments are paid in full the amount of interest is duly noted in the column provided therefor, the interest due having already been entered under the corresponding column.

When however part payments are made on different dates, the amount due to Government for the whole year on account of interest is first calculated and entered in the column for "Calculation of interest". The counter-interest allowed by Government on the several sums repaid before the due date is calculated and entered in the column for "Calculation of interest" on repayments. The total amount shown in the latter column is then deducted from the amount entered in the former and the difference which is the net interest due to Government for the year is deducted from the total amount of the part payments credited in the column for "Principal" with a distinct note specifying the amounts creditable to "Principal" and "Interest."

227. The appropriate columns are used according to the nature of each loan. The present form was adopted when in all loans, interest as well as counter-interest was allowed. But under the new rules as no counter-interest is allowed on re-payments some of the columns are superfluous and a more suitable form will be substituted.

228. According to Government Order No. 5749-51—R. 869, dated 23rd September 1894, no abatement of interest is permitted on account of payment of instalments made before due date. These are the conditions on which the loans have been granted and this office has no discretion in the matter.

Deputy Auditor General's Remarks. | Comptroller's Notes.

LOANS.

220. An annual broad-sheet of loans is prepared, and not a monthly one, consequently differences between loan accounts and general books can only be detected once a year, and that when the office is overburdened with work. Balances therefore, if they do not agree, are adjusted in the new year's books.

220. There is no necessity for a monthly broad-sheet as but a few transactions are recorded in the accounts till the last month of the year, when re-payments are generally made, and it is sufficient to check every month such items as may be posted in the Loan Register with the Detail Books.

The balance in the annual broad sheet is invariably resolved and agreed with the book balance at the close of every year, and there has not been a single instance in which the balances did not so agree but were adjusted in next year's books. A monthly broad-sheet however will be opened in strict conformity with the Code.

221. In the absence of any broad-sheet it is not possible to say whether the ledgers have been posted up to date or not; but I am told that the postings since 1st July 1895 are in arrears (end of May 1896). The absence of broad-sheets makes the verification of sums shown as credited very laborious.

221. The Ledgers are posted every month but the work for 1895-96 was left in arrears as the office was engaged with Test Auditors. broad sheets posted monthly will certainly facilitate verification, but these are not the only means of check. Great care has been taken to secure the same result both in this and other cases where broad sheets prescribed by the Code have not been maintained.

222. In many cases *all* repayments are credited to loans whether interest is overdue or not, and then a re-adjustment is made at the end of the year.

222. According to the conditions of loans they are paid in yearly instalments including interest. When an annual instalment is paid in small sums in different months it is impossible to say what amount should be credited each time to "Interest" or to "Loan," as interest is calculated for a whole year on the balance left at the beginning of each official year, and as no interest is allowed on sums re-paid before due dates. In these cases, part payments of instalments are first credited to the head "Loan," and at the close of the year, the amount due on account of Interest is deducted from the total amount credited under "Loans," and transferred to "Interest". When instalments are received in lump sums, the amount due for "Interest" is credited to that head, and the balance under "Loan."

223. No definite information appears to exist in the Comptroller's office whether the various securities have actually been deposited or not.

223. Deputy Commissioners are called upon to take the necessary securities before the loan is made. These officers have not been hitherto instructed to report to the Comptroller whether such securities have been deposited or not. Such reports are submitted to Government.

224. No statements of account are sent to debtors.

224. These statements are furnished to Government. If they order otherwise, it will be carried out.

Deputy Auditor General's Remarks.	Comptroller's Notes.
229. There does not seem to be any check, supervision, or control over the loan account which seems to be entirely in the hands of a subordinate clerk.	229. The Chief Assistant checks and supervises this account. It is not however usual for him to initial every entry in it. When broad sheet is prepared, every entry is verified and then the sheet is initialled by the Assistant Comptroller and now by the Chief Assistant.
230. In British India the Government of India insist on the heads of account offices paying very particular attention to this very important matter.	230. Necessary attention has been paid. The register is reviewed and defaults are reported to Government soon after the broad sheet is prepared. Quarterly statements of all Land Improvement Loans and yearly statements of special loans and loans to encumbered Jaghirdars are being sent to Government who review them and issue necessary orders to the officers responsible for the adjustment of these loans.
231. In reviewing the balances outstanding, the condition and state of each loan were very carefully scrutinized.	231. The results of the scrutiny appear in Appendix E. where explanations have been offered against each paragraph.

LOCAL FUNDS.

Audit of Accounts.

232. The accounts for one district (Shimoga) were re-audited and tested in the usual manner; very much the same defects noticed in the Treasury Audit Branch exist in the abstract registers, &c., of this branch.	232. This branch was formed only in 1892-93 and steps are being taken to bring the accounts into order.
233. The modifications found necessary in the course of audit are communicated to district officers as in the case of Municipal accounts, and my remarks in regard to this apply here also.	233. *Vide* explanation on Municipal accounts.

District Fund.

234. The balances communicated to district officers and Government were found to agree with those shown in the ledger, with the exception of a difference of Rs. 54-2-11 which it is said will be adjusted during the current year.	234. This has since been adjusted.
235. But here again district details are given in the ledger and no broad-sheet is kept.	235. The reasons for giving district details in the Ledger are given against para 197 *supra*. The Comptroller General in his letter of 1878 seemed to think that district details were necessary in the Ledger, especially in the case of Local Funds. A monthly statement showing district details is prepared and sent to Government and no separate broad sheet in addition to the above seems necessary.
236. The inconvenience of this plan is pointed out in my remarks on the Book Department.	236. *Vide* para 197 *supra*.

Deputy Auditor General's Remarks. Comptroller's Notes.

Local Fund General.

237. There is a small difference in balance of 8 annas 3 pies between the statement submitted to Government and district officers and the figures shown in the ledger.

237. Is being verified and adjusted.

Village School Fund.

238. Besides the share of the one anna cess the income of this fund comprises fees, interest on Government securities, and grant-in-aid.

239. An annual statement of receipts and charges is furnished to the Inspector General of Education, but it does *not* show the opening and closing balances, so that the administration of the fund is not in a position to accept the balances of the fund.

239. A regular annual statement was never furnished to the Inspector General of Education. He generally calls for a statement of receipts and expenditure for the year and this requisition is complied with. As the annual accounts, a copy of which is furnished to the Inspector General, contain these details no necessity has been felt for a separate statement.

240. The balances agree with the ledger, all but a small item of Re. 1.

240. It is not known with what account the Ledger balance was verified and how a difference of Re. 1 was detected.

Irrigation Cess Fund.

241. The receipts of this fund are checked in the Dewan's office and the expenditure takes place in the Public Works Department.

RESOURCE DEPARTMENT.

Resource Estimate.

242. There is no Provincial Resource estimate (Article 1478 C. A. Code). The district resource estimates do not seem to serve any useful purpose whatever. The estimated figures are not compared with any actuals or standard, and there is no check to see if they are in any way reliable.

243. If the estimated balance varies from the actual, no notice is taken. In fact no comparison is ever made.

244. It is explained that no use is made of the district estimate except in time of unusual pressure or emergency, such as famine, etc.

242 to 244. No Provincial Resource estimate has been maintained from the commencement, nor is it necessary, as there is no higher account office to which it has to be submitted.

No particular attention is given to the district estimates, except during emergency and during the collection season when a rough estimate of funds available for deposit in the Madras Bank is made with reference to the revenue collections as intimated from the Treasuries and the Treasury transactions for the corresponding months of the previous years or with other facts of which this office is aware of as provided in Article 1479.

Consolidated Cash Balance Report.

245. The figures from the consolidated cash balance report are posted in the general abstract which forms part of the monthly consolidated abstract, but there is no record of any comparison by any one other than the clerk who compiles the provincial cash balance report. In fact his are the only initials on the general abstract.

245. This has been already explained against para 202 *supra*. There is no rule in the Code defining who should check and initial.

Deputy Auditor General's Remarks. Comptroller's Notes.

Minimum Balances.

246. A memo was prepared in 1891 working out the minimum cash balance required for the province on the 1st of July in each year, with other statistics regarding the balances to be left in the Madras Bank during certain months, and the provincial expenditure for certain periods. But the Comptroller has no districtwar statements by which to see how each district stands in regard to the provincial figures, and is supposed to trust to his memory of a statement which was prepared some years ago and submitted to Government.

246. This memo was drawn up simply to show what amount could be spared for investment during that year, but it was not intended to be a general standing order. Every year the Cash Balances on 1st July are *carefully* examined in view to invest the Surplus Cash. Funds are drawn from Treasuries to a large extent when Bank rate of interest is high and this cannot be done without scrutinizing the balances or studying the requirements of the districts though no formal notes are recorded.

Departmental Balances.

247. Detailed departmental balance statements are not furnished (Article 1486 C. A. Code).

247. We have only two Departmental Balances; the Public Works Department and the Revenue Survey. The balance with the Public Works Department goes into the General Cash Balance and that with the Revenue Survey is shown under Suspense, as has been the practice from the commencement. For a small administration like this, these balance statements have not been absolutely necessary but will be maintained hereafter.

BILL AUDIT.

248. The issue lists are not reviewed monthly by any superior officer (Article 884 C. A. Code), and the district auditor does not check the totals of the issue lists and agree them with the cash account (Article 886 C. A. Code).

248. Paucity of superior officers has been already adverted to and a review by such an officer is not indispensable in this office as the purposes for which the bills are issued are not so various as in British India. Instead of the District Auditor checking the totals of the Issue lists, the bill auditors check the totals and agree them with the Cash Account and intial against the items in that account.

249. The district auditor does not check the paid list and compare it with the list of payments in the manner laid down by Article 886, C. A. Code, and the vouchers are separately filed and not with district vouchers (Article 887 C. A. Code).

249. The Bill checker himself does this work as in the case of issues.

250. No old bills list is kept (Article 890 C. A. Code).

251. The monthly agreement sheet is not kept (Article 892 C. A. Code).

252. Balances cannot therefore be checked monthly, and any discrepancy must remain unnoticed to the end of the year.

253. The columns in the issue lists are not used for posting the payments in several months of each quarter—each monthly list serves to record the payments of the whole year. At the end of the year the District officer submits a list of outstandings which is compared with the issue lists in the office.

250 to 257. We have had only one class of bills, *viz.*, Public Service Transfer Receipts, with occasionally a few Supply Bills issued for Madras Bank by the Huzur Treasury on two or three frontier Treasuries. The necessity for these lists has therefore not been felt. The Codal rules on the audit of these bills were never followed in entirety the local procedure being as follows. Up to 1890-91 only an Issue list and a Paid list were maintained. From these lists a statement showing the lapses was prepared in each year. In the year 1890-91 arrangement was made to obtain an annual Balance statement from the District Treasuries which is checked and verified in this office.

Deputy Auditor General's Remarks.

254. The prescribed broad-sheet is maintained but no monthly totals are made to agree with the provincial totals in the detail books, and so its object is defeated.

255. Briefly, the methods of account and check other than the monthly issue and paid lists prescribed in the C. A. Code are generally omitted. Without completely omitting all the check prescribed, it might perhaps be possible to simplify the rules in their application to this Administration.

256. Still under existing circumstances no monthly agreement with the books is possible, and at the end of the year various unauthorized statements have to be prepared to effect an annual agreement.

257. In any case nothing seems to be passed or reviewed by any one.

Comptroller's Notes.

Under the existing system as improved in 1890-91, the District Treasuries furnish this office monthly with Issue and Paid lists and annually with Balance statements. The Issue lists are reviewed by the Senior Accountant who is in charge of the Bill audit and their totals are checked and verified with the entries in the Treasury Cash accounts which he then initials. All the vouchers received with Paid lists are checked and the totals verified with the Treasury Cash accounts which the Accountant in charge of the Bill audit initials. Every payment is posted in the Issue list against the corresponding item and in the Balance statements of previous year in the case of old bills.

The items remaining unpaid are shown as balance in the column of the Issue list set apart for this purpose and also in the Balance statement of previous year; these several items are checked with Annual Balance statements received from the Districts, and the correctness of these balances is tested by comparison with the Ledger Balance. For a small Province like ours, the above checks were hitherto found sufficient. The bills issued are few in number and are issued only for limited purposes. The necessity for old bill lists, agreement sheets, etc., has not been hitherto felt. If, however, it is considered necessary to introduce the Codal system in all its minor details, it will be followed.

It has however to be stated that every check required by the prevailing system has been exercised as evidenced by the correctness of the accounts themselves. It is not fair to say that "Nothing seems to be passed," merely from the absence of the note of record to that effect. These verbal omissions will be supplied.

258. The stock register of bill forms is not a very satisfactory record. Balances in stock after each transaction are not worked out. No such balances had been worked out between February and June of the year 1895-96, and there is no certificate of stock-taking or initials to the balances anywhere.

258. The Assistant Comptroller in whose custody the stock of bill forms is kept initials in the Stock Book the entry of every issue. It has been the practice to work out the balance at the end of each month instead of after each transaction. The omission between February & June was due to the engagement of the accountant with Test auditors. The certificate mentioned is not required but will however be supplied if considered necessary.

MILITARY DEPARTMENT.

259. No muster rolls, pay abstracts or general statement of account such as are general elsewhere are furnished to the audit office.

260. A vernacular account is submitted through the Military Secretary which shows

259 to 262. Prior to 1882-83 the Military Secretary had charge of all cash and accounts. The Government after Rendition did not approve of this policy and relieved him of these charges and transferred the account to the Comptroller's office. Mr. Hudson, the then Comptroller, introduced the present

Deputy Auditor General's Remarks.

the number of individuals in each grade from Commandant downwards at certain rates of pay.

261. A statement accompanies, prepared in the Military Secretary's office, showing the stoppages and deductions to be made.

262. There are two regiments of Cavalry (including the Imperial Service Lancers) and three of Infantry costing in all little under 10 lakhs of rupees, and all the check that the Comptroller at present applies is to see that the sanctioned scale is not exceeded.

263. It is not convenient that the administrative branch of a department should also conduct the detailed audit of its expenditure, and the same reasons which led to the removal of the scrutiny of Military accounts from the office of the Military Secretary, Hyderabad, to the Comptroller, Hyderabad, would seem to be equally applicable in this instance.

264. Other Military charges, such as the Breeding establishment and the Military Secretary's establishment, are audited in the usual manner.

Comptroller's Notes.

system of audit with the approval of the Military Secretary. Under this system a Pay list is prepared by the Officers Commanding the Savar and Barr Regiments for the pay of the men and sent to the Comptroller direct, the Military Secretary furnishing him with the following monthly returns—

(1) Return of promotions, dismissals, enlistments, casualties, fines, &c., in the past month.

(2) Deductions to be made on account of Equipment, Chanda and other funds.

With the help of these the Pay lists are audited in the Comptroller's office with reference to sanctioned scale and the Pay list for the previous month. From each Regiment a muster roll, morning reports and acquittance rolls, and other returns are sent to the Military Secretary's office. The system has worked well for the past 14 years. In the scheme for outside audit submitted by this office in 1892-93, provision has been made for periodical examination of muster rolls and other accounts kept in the regiments as well as of the accounts connected with the stores, funds, &c., of the Military Department. If this be sanctioned an additional check will be exercised annually.

263. The Military Secretary does not conduct the detailed audit of the expenditure of the Military Department. He has charge only of the accounts connected with the various Military Funds. He has been relieved of the other accounts of his department as explained above.

OBJECTION BOOKS.

265. The Objection Books and statements leave much to be desired, and the extreme importance of constant supervision and review and of attention to watching and testing the progress of adjustments seem to have been altogether overlooked by the responsible officers.

265. As has been already explained there are no Superintendents or sufficient number of Gazetted Officers for making a complete distribution of the work of review as required by the Code. Up to 1874-75 no arrangement was made for the examination of Objection Books or the Lists of unadjusted items. In 1874-75 an Examiner was appointed, but the post was abolished in 1878-79, and even under that arrangement there existed differences in the balances (*vide* Comptroller General's letter of 1878, para 43). Subsequent to 1878-79, one of the Accountants was deputed for the work and as the

Deputy Auditor General's Remarks.

Comptroller's Notes.

examination was not found satisfactory, in 1885-86, the then Chief Assistant (now Assistant Comptroller) undertook to examine the Objection Books in addition to his other duties which he has done to the same extent as in the case of Treasury classified abstracts and has generally furnished the necessary certificates, see para 43 and statement attached thereto. It has been the practice from the commencement to prepare an annual balance statement and send it to Treasury Officers for necessary action; occasionally references are also made direct to the officers concerned for prompt adjustment.

266. The following defects were noticed.

The column "Head of Service" is never filled in, and generally speaking the entries of amounts admitted are not initialled by a responsible officer (Article 985 C. A. Code).

267. Dates on which the Objection Books are closed are not entered, and the certificates required to be appended to the transaction of each month in the Objection Book (Article 994, 1) and to be signed by the Superintendent have never been furnished.

266 & 267. Very few items appear under "Service payments for recovery," and the head of service to which they were debited was not noted as the recoveries were all except in a few cases credited to the head XIX. Miscellaneous, instead of to the heads to which they were originally debited. This has been the practice from the commencement. Codal rules will be adhered to in future. Each individual item of adjustment is not initialled by the officer who checks the Adjustment book, but only the total for the month. If sufficient number of Superintendents be appointed, all the formalities and details prescribed in the Code would be carried out according to the very letter and this is being arranged for.

It is not correct to say that the certificates have never been furnished *vide* para 265. *Supra.*

268. The entire amounts brought to credit of advances recoverable by a Treasury officer, whether belonging to the district in which the credit appears or not, is shown in reduction of the aggregate outstanding balance. If the credit belongs to an item included in another Objection Book, of course the details of outstandings in the first district will exceed the reduced balance, and discrepancies must always be expected.

268. This is not correctly stated and is inconsistent with para 53 *supra.*

Recoveries made in one district on account of advances made in another district are credited in the accounts of the receiving Treasury under "Remittances" as remittances received from the original Treasury which made the advance, such recoveries being adjusted in the accounts of this treasury (original) by debit to "Remittances," and credit to advances, as has already been explained. This system has been followed from the formation of the office, and the District Treasuries understand it thoroughly by long practice. If, nevertheless, the procedure laid down in the Code be preferred and insisted upon it will be followed.

269. No abstract of objections (Form 133) is maintained.

269. Was never maintained before nor was the omission noticed in Comptroller General's Nos. 142 and 166 dated 8th May 1873 and 26th April 1878. It has been opened lately. See also para 281 *infra.*

Deputy Auditor General's Remarks.

270. No broad-sheet is kept up (Article 995 C. A. Code), and in the absence of this it is not possible either to review the outstandings and to watch generally the progress of adjustment of the amounts outstanding for different years or to make a proper comparison of the aggregate of the district balances with the general books.

271. The requirements of Article 995 C. A. Code, regarding the resolution of the balances into actual items once a quarter has not been attended to, an annual statement only has been prepared.

272. There is no progress register to watch over the despatch, receipt, and disposal of objection statements.

273. No officer seems to have reviewed outstandings.

274. The statements of balances outstanding on 30th June 1894 and 1895 show that items have been allowed to remain unadjusted for inexcusably long periods—for ten years and even longer.

275. These statements bear no one's initials or signature, and have not, it is believed, been checked or reviewed by any one. The same remarks apply generally to the Objection Books.

276. The adjustments in the statements, Objection Books and adjustment registers have not been passed by any one.

277. By far the larger outstandings are unadjusted balances of advances taken for expenditure of a special nature, such as tours of the Maharaja and State officials, receptions of important personages, and the like.

278. In order to deal with such items, the instructions contained in Articles 110 to 113G, C. A. Code, might be applied, modified to suit the special requirements of the case. It is very necessary that for larger advances of this nature properly vouched accounts should be submitted to

Comptroller's Notes.

270. Has been already explained. It was not maintained before but will be opened now.

271. This was never attended to before, but will be carried out if the yearly resolution be considered too far apart. The omission was due to want of superior officers and in 1877-78 when Sir J. Westland inspected the office, the balance statement for 1876-77 had not been made up in January 1878.

272. Never maintained before. The necessity for such a Register was not felt owing to the small number of Objection statements. One will however be maintained hereafter.

273. This is only a repetition—See para 265 *supra*.

274. The items referred to relate mostly to advances made for the improvement of Mysore town and fort. It was first intended to adjust these advances from sale proceeds of lands or from City Municipal Funds, but as funds were not available from either source, a sum of Rs. 54,000 and odd has been adjusted in the accounts of 1895-96 from General Revenues under Government orders. The delay therefore was due to watching the capabilities of both the above mentioned sources, and arriving at a definite decision as to the particular sources from which the expenditure had to be met.

275. *Vide* para 265 *supra*.

276. The Assistant Comptroller has initialled the entries in the months in which he examined these accounts.

278. An account current has already been suggested on these lines and Government orders are awaited.

Deputy Auditor General's Remarks.

Comptroller's Notes.

the Comptroller with the utmost promptitude.

279. Objections might be much more briefly described.

279. Will be attended to.

280. The files of objection statements show them to be in a very unsatisfactory state; the form requires revision, the outer sheet should contain the headings, the inner sheets being supplied according to requirements.

280. Will be modified.

281. The Objection Books of some years back bear evidence of better management, and from 1886 these seem to have received progressively less and less attention.

281. I have examined generally the Objection Books from 1874-75 when the regular form of Objection Book was introduced. The form is precisely the same. The same omissions of formalities are noticeable in all the books except in the books of those years when there was an Examiner who has initialled all the books. I am at a loss to know the source of the Deputy Auditor Generals' remarks. If he had based his remark on the maintenance of the abstract Form No. 133 in 1885-86 and 1886-87, it may be stated that it was not kept either previously or since. Mr. Eagles introduced it on his own responsibility in 1884-85 and discontinued it the next year also on his own authority owing to heavy work.

On receipt of Comptroller General's instructions in 1873, Mr. Hudson reported that the Forms of Objection Books and statements laid down in Comptroller General's Circular No. 149 were being printed and would be introduced immediately. He however opened the Objection and Adjustment Books but not the Broad-sheets or Abstract Form and the practice has been continued.

In Comptroller General's instructions of 1878 no reference is made to the omission of these accounts. He dwells on the differences in the balances in the ledger heads of advances recoverable and of suspense account with the details in some cases and orders them to be investigated and adjusted. He also remarks that the *annual* statement of advance and suspense items had not in January 1878 been made up for March 1877. It will thus be seen that differences in these accounts and delay existed even previous to 1886 and that no monthly broad-sheets or abstracts were maintained but only annual statements were prepared.

I attach hereto a statement of balances from the Objection Books for 20 years from 1874-75 to 1894-95 as compared with the Ledger balances which will show how these books have been managed during this period.

Statement of Closing Balances under Advances

N. B.—The lower set of figures against

Years.	Huzur Treasury.	Bangalore.	Kolar.	Tumkur.	Shimoga.	Kadur.
	Rs. as. p.	Rs. as. p.	Rs. as. p.	Rs. as. p.	Rs. as. p.	Rs as. p.
1875—76	4,666 14 9	2,479 13 11	172 11 2	11 0 0	108 2 1	62 13 6
	2,719 7 6	2,479 13 11	172 11 2	11 0 0	611 2 10	62 13 6
1876—77	2,743 12 8	7,079 8 3	7 0 0	15,575 0 7	277 0 0	2,408 14 6
	1,877 3 4	7,079 8 3	7 0 0	15,575 0 7	1,144 0 3	408 14 6
1877—78	11,870 12 11	2,972 14 6	1,683 5 7	6,777 0 4½	562 15 5	2,556 10 5
	11,004 3 7	2,972 14 6	1,683 5 7	6,777 0 4½	962 6 3	556 10 5
1878—79	16,913 7 4	2,873 6 5	351 1 0	1,343 12 5½	1,792 8 4	461 1 10
	16,913 7 4	2,873 6 5	351 1 0	1,343 12 5½	1,792 8 4	461 1 10
1879—80	9,568 8 3½	1,655 7 9	517 0 0	299 2 1	263 15 9	713 9 4
	9,568 8 3½	1,662 15 5	517 0 0	299 2 1	557 13 9	71 8 5
1880—81	36,511 13 3	1,650 6 11	418 8 10	118 13 10	531 8 0	680 9 6
					Credit.	
	36,511 6 3	2,657 14 7	418 8 10	118 13 10	11 10 3	680 9 6
1881—82	1,675 12 6	4,914 4 10	268 0 0	13 4 0	778 6 0	173 10 6
	4,153 9 8	14,444 8 4	268 0 0	13 4 0	634 3 5	173 10 6
1882—83	22,165 9 0	5,411 0 1	89 8 0	309 2 0	191 11 6	372 0 0
	32,626 14 8	13,507 14 0	89 8 0	309 2 0	191 11 6	372 0 0
1883—84	20,464 3 2	4,970 7 4	485 0 0	783 13 10	1,289 3 1	485 10 6
	11,139 13 4	14,286 6 1	485 0 0	783 13 10	295 11 2	1,479 2 5
1884—85	16,444 9 6	4,148 11 0	130 5 0	531 8 0	1,249 11 4	508 0 0
	7,120 3 8	13,516 9 9	208 5 0	531 7 10	1,677 4 3	1,423 7 11
1885—86	28,261 10 5	4,552 4 10	433 1 2	364 4 0	1,059 6 5	1,128 3 8
	24,336 4 7	13,920 3 7	511 1 2	364 3 10	1,486 15 4	2,043 11 7
1886—87	82,900 6 1	4,977 12 1	362 14 11	5,733 5 0	1,066 7 4	4,007 11 0
	68,438 13 3	14,345 10 10	440 14 11	5,556 8 5	3,978 13 10	4,923 2 11
1887—88	69,172 5 5	7,096 11 2	978 5 8	4,847 9 6	2,393 2 0	2,135 6 1
	52,957 5 11	16,464 9 11	1,056 5 8	4,670 12 11	5,305 8 6	3,050 15 0
1888—89	98,541 1 1	8,394 14 8	860 13 4	3,111 15 9	426 2 0	1,040 10 8
	79,997 15 7	17,762 13 5	938 13 4	2,935 3 2	3,815 2 8	1,956 3 7
1889—90	1,67,971 7 11	70,991 8 7	2,934 11 5	2,698 0 2	3,721 7 6	9,436 4 5
	1,49,428 6 5	80,359 7 4	2,936 11 1	2,661 3 7	7,766 6 0	10,557 11 10
1890—91	2,58,547 13 4	72,498 7 10	2,741 1 1	3,708 3 1	3,209 12 1	12,508 4 9
	2,65,685 15 2	72,547 15 3	2,665 0 9	3,771 5 6	7,992 6 6	14,808 11 11
1891—92	1,52,694 5 1	69,982 9 4	7,567 15 7	18,992 8 9	8,776 10 3	29,768 2 0
	1,60,665 10 7	69,820 12 0	7,491 15 3	18,955 12 2	13,442 15 6	14,531 0 1
1892—93	2,96,639 7 4	38,357 8 8	6,127 3 1	3,232 2 1	6,422 4 1	22,088 9 4
	3,26,721 13 5	14,491 8 10	6,051 2 9	3,195 5 6	11,109 1 4	16,302 9 6
1893—94	2,75,179 11 3	27,768 3 7	8,843 0 10	7,361 11 7	7,377 5 1	9,168 1 2
	2,96,354 2 7	39,911 14 0	8,767 0 6	7,324 15 0	12,403 13 10	11,463 12 10
1894—95	51,683 0 11	35,547 10 11	7,104 7 10	3,074 13 10	8,291 0 5	16,377 14 9
	51,683 0 11	35,547 10 11	7,104 7 10	3,074 13 10	8,291 0 5	16,377 14 9

Recoverable as per Objection Books and Ledger.

each year indicates the Ledger balances.

Chitaldrug.	Mysore.	Hassan.	Palace.	Artware.	Total.	Difference per cent.	Remarks.
Rs. as. p.	Rs. as. p.	Rs. as. p.	Rs.	Rs. as. p.	Rs. as. p.		
354 0 0	1,329 15 10	97 8 6	...	...	9,282 15 9	18·4	
354 0 0	1,329 15 10	97 8 6	...	...	7,838 9 3		
118 6 5	1,936 0 11	4,360 12 1	...	...	34,506 7 5	6·1	
118 6 5	1,936 0 11	4,360 12 1	...	...	32,506 14 4		
702 15 3	2,277 8 11	3,324 10 8	...	...	32,728 14 0½	8·1	
702 15 3	2,277 8 11	3,324 10 8	...	...	30,261 11 6½		
42 10 10	5,053 13 10	1,825 0 8	...	...	30,656 14 8½	0	
42 10 10	5,053 13 10	1,825 0 8	...	...	30,656 14 8½		
62 6 0	10,948 6 1	1,795 8 6	...	...	25,823 15 9½	1·3	
62 6 0	10,948 6 1	1,795 8 6	...	...	25,483 4 6½		
287 0 0	13,707 0 9	926 3 5	...	...	54,832 0 6	·8	
287 0 0	13,707 0 9	926 3 5	...	...	55,295 14 11		
.....	3,138 7 3	3,637 9 0	...	...	26,599 6 1	·5	
.....	3,138 7 3	3,637 9 0	...	...	26,463 4 2		
.....	15,454 6 1	.....	...	...	43,993 4 8	29·9	
183 4 8	15,454 6 1	.....	...	...	62,734 12 11		
.....	5,305 1 11	.....	...	...	33,783 7 10	·5	
183 4 8	5,305 1 11	.....	...	...	33,958 5 5		
.....	35,515 10 3	.....	...	...	58,528 7 1	2·7	
183 4 8	35,515 10 3	.....	...	...	60,176 5 4		
.....	30,550 0 1	.....	...	...	66,348 14 7	~~23·2~~ 9·6	
183 4 8	30,550 0 1	.....	..	...	73,395 12 10		
1,186 14 0	71,467 4 11	4,348 7 4	...	...	1,76,051 2 8	·6	~~23·2~~ 7·1 per cent—average for 11 years from 1875-76 to 1885-86.
1,370 2 8	71,467 4 11	4,348 7 4	...	...	1,74,869 15 1		
264 7 0	83,479 9 2	2,547 8 6	...	...	1,72,915 0 6	1·7	
447 11 8	83,680 13 2	2,547 8 6	...	...	1,70,181 11 3		
666 14 6	1,06,815 6 4	3,089 2 4	...	...	2,22,947 0 8	1·5	
850 3 2	1,08,323 13 9	3,089 2 4	...	...	2,19,669 7 0		
1,103 0 8	1,45,524 6 11	14,381 0 8	4,13,232	...	8,31,994 0 3	·3	
1,286 5 4	1,47,117 8 10	13,834 6 1	4,13,232	...	8,29,180 2 6		
1,243 15 1	1,79,562 5 2	30,628 10 6	...	...	5,64,648 8 11	3·1	
1,427 3 9	1,83,646 15 3	30,081 15 11	...	...	5,82,627 11 0		
4,802 10 8	2,39,777 12 8	36,716 13 4	...	...	5,69,079 7 8	2·2	For nearly eighteen months of this period the office was without a Comptroller, the Asst. Comptr. having been in charge of the office in addition to his own work. It was not therefore possible for him to check these accounts.
4,985 15 4	2,00,239 15 8	30,696 15 11	...	..	5,20,831 0 6		
1,949 1 1	3,25,246 4 8	34,886 9 8	...	...	7,34,949 2 0	7·7	
2,132 5 9	2,72,452 12 11	28,866 12 3	...	1,157 4 0	6,82,480 12 3		
5,027 3 6	2,95,280 4 6	27,875 9 9	...	...	6,63,881 3 3		
5,211 8 2	3,02,805 7 4	21,855 12 4	...	1,157 4 0	7,07,255 10 7	6·1	In these two years all the differences were investigated and adjusted completely.
7,763 2 8	2,18,868 11 3	16,382 8 6	...	...	3,65,093 7 1		
7,763 2 8	2,18,868 11 3	16,382 8 6	...	...	3,65,093 7 1	0	
							3·3 per cent—average for 9 years from 1886-87 to 1894-95.

Deputy Auditor General's Remarks. Comptroller's Notes.

RECORD DEPARTMEMT.

Submission of Accounts and Returns from Treasuries.

282. The entire transaction of taluk treasuries are brought on the treasury up to close of each month and not on some date prior to the end of the month (as in British India). Treasury Accounts cannot therefore be submitted quite so punctually as in British India. Still making due allowance for this, there is a great want of punctuality in the despatch to the Comptroller.

282. Some delay generally occurs, when holidays intervene. Greater punctuality will be insisted upon.

283. *Cash Accounts* were received from the 10th to the 28th of the following month, the average being about the 15th.

284. *Lists of Payment* were on an average about a fortnight late.

285. *Deposits* were also very late, some being over a month behind hand.

283 to 285. Not from all districts. In large districts, where the transactions are heavy, there is some delay.

286. Such want of punctuality causes corresponding delay and inconvenience throughout the office.

286. The scale of establishment in these treasuries after the general reduction of 1880-81 has continued to remain in the same condition, though the Revenue and Expenditure and the consequent transactions have increased very largely. The present establishment has been found unequal to cope with the increased work and great delay has been due to this cause. The re-organization of these establishments is engaging the attention of the Government for the past four or five years.

Diaries (Inwards).

287. The receipt diaries are not kept methodically.

288. They do not show the date of receipt of letters.

289. Much time and labor is wasted over in the entry of redundant matter, the contents of letters might be very much more briefly noted.

290. Letters are distributed in a transit book to the sections concerned, but in the sections themselves no letter books are kept, and the Superintendent has no means of checking progress of disposal or of knowing what becomes of the letters received.

291. The Record Department is supposed to prepare lists of unanswered references, but how it can do this properly is not understood, as the diary contains no information as to the fate of the letters entered in it.

287 to 292. This is an office procedure not codified, each office having a procedure of its own suited to its requirements. Desirable improvements will be effected with the strengthening of the office establishment.

Deputy Auditor General's Remarks.

Comptroller's Notes.

292. The check over disposal of inwards letters therefore depends on a good deal on chance and the Superintendent's memory.

Diaries (Outwards).

293. Draft letters are sent with cases to the copyists by Superintendent, no transit book being used or acknowledgment taken. So far as the Superintendent is concerned, all check or control over them disappears with their departure.

293. There is no Superintendent for Record Department. One or two copyists are attached to each section and the drafts passed are sent to them by the heads of respective sections. In this small office, the necessity for so many acknowledgments and counter-acknowledgments has not been hitherto felt. Without any pretension to perfection in the internal arrangement of the office, improvements will be made as necessities arise and call for such.

Old Records.

294. The arrangements for storing old records are inconvenient, and though almirahs and bundles are labelled, an index ought to have been kept up.

295. The whole system of record wants thoroughly overhauling and setting in order, it is not in a satisfactory state at present.

294 and 295. There are no orders or traces to show that this office records were ever arranged or the old records destroyed up to 1885-86. It was only a few years ago on a representation made to Government that a slight increase of establishment was sanctioned and quite recently an annual grant of Rs. 300 was made for arrear establishment; with the help of which the old records that had accumulated since the formation of this office have been mostly re-arranged, one batch of old useless records destroyed and another is awaiting disposal. An improved set of record racks is also under preparation in the Public Works Department.

General Remarks.

296. One matter which came constantly to notice during the course of examination of the accounts was the facilities which exist for one department getting access to the records of another. It may seem ungracious to call in question the readiness with which any document that was required was (if procurable) obtained at a moment's notice by the adjuster or auditor concerned, but there was no doubt that these were procured from wherever they were kept with very little intermediate agency—such as reference to any one in charge, deposit of a receipt, &c.,—and it was noticed that the members of the Treasury account section were able to refer to the general books kept by the Book Department when they pleased, and indeed many of the ledger accounts are kept in district detail presumably to enable the Treasury Account Branch to check and compare accounts direct with the general books.

296 to 298. At ordinary times it would not have been so easy for one department to have had access to records of the other. On the occasion of this inspection strict orders were given to dispense with all formalities likely to cause any delay.

From the formation of this office there were only two branches, the Account and the Audit, there having been only two responsible officers besides the Comptroller, *viz.*, the Chief Assistant and the Manager. In 1891-92 an Assistant Comptroller was appointed, but the Chief Assistant was taken away from the Provincial Account Branch and placed solely in charge of the Local Fund, Municipal and Excise accounts. With no Superintendents and with only one Gazetted Officer and a Manager, it has not been found possible to maintain each section of the office as strictly independent of the other as is done in British Account offices.

Deputy Auditor General's Remarks.

297. This is very unsafe, and is calculated to encourage inefficient and careless clerks to make accounts agree whether they do or not, and to offer a temptation to indifference in securing absolutely correct results in certain parts of this work.

298. Records of one department should only be furnished to another on the written application of the senior clerk or Superintendent of the branch desiring to make the reference.

Comptroller's Notes.

The accounts, books, &c., of the past 14 years from 1881-82 have, I understand, been generally examined on this occasion and those for 1894-95 scrutinized in all their details. No cooking up or even a suspicion of cooking up accounts has happily been noticed. As already explained against paras 197 and 235 it is necessary that the ledger accounts should contain district details in the absence of monthly broad-sheets which had not been maintained from the commencement. From the year in which these ledgers were opened and up to date district details have been shown in them without any objection being raised during previous inspections. Under these circumstances it is not fair to presume that the maintenance of district details in the ledgers was permitted in view to enable the Treasury Account Branch to check and compare these accounts with the general books. I can only say that the accountants of this office do not appear to have thought of and taken advantage of it, as no case has been discovered by the Deputy Auditor General where attempts had been made to adjust differences by manipuliting the accounts and bringing about a complete agreement. On the contrary, it was noticed that differences which had accumulated almost from the very commencement of this office were rectified only in recent years after a great deal of scrutiny and extra trouble.

M G.C.P.B.—25-11-1896.

APPENDIX E.

TABLE OF CONTENTS.

	Paras.
A. Class Funds	1—18
B. Class Funds	19—63
Deposits	64—119
Advances	120—163
Loans	164—267
Mysore Art-ware	268—274
Suspense	275—279
Royalty Account with Messrs Coutts and Co.	280
Account Current with Presidency Banks	281
Remittances	282—302
Account with Her Majesty's Govt. ...	303—305
Mysore Railway 5 per cent Debenture Loan	306—307
Mysore Surplus Investment Account ...	308—311
Balances not borne on Public Books ..	312—321

APPENDIX E.

I. A CLASS FUNDS.

THE STERLING LOAN SINKING FUND.

Deputy Auditor General's Remarks.

Comptroller's Notes.

Credit balance Rs. 27,81,513

1. This is the balance of sums set aside to meet the sterling loan of £1,224,000=Rs. 1,63,82,801. The Secretary of State has fixed the annual instalment at £14,630 (see Appendix C).

STATE INSURANCE FUND.

Credit balance Rs. 1,05,532

2. The scheme is based on that adopted by the Post Office in British India for insurance of Postal employees and by the Oriental Life Assurance Company, Bombay, and the average premia charged by these two institutions were adopted.

3. It was found that the Postal Department charged more favourable rates than the Oriental up to 35 years of age, and the Oriental more favourable than the Postal Department beyond that age.

4. The scheme, which has evidently received very careful consideration, was introduced on the 1st December 1891.

5. It provides for the compulsory insurance of every State official whose pay is Rs. 10 per mensem and upwards, and for a deduction of 10 per cent of pay. In consideration of these terms Government undertakes to pay each subscriber a bonus on attainment of 55 years of age, or to his estate at death if earlier.

6. The maximum premium is limited to Rs. 50 per mensem.

7. The business of the institution is managed by a committee nominated by Government.

8. The accounts are audited annually before the 31st July by two accountants nominated by the committee.

9. There are 1,572 policies on the register. The income amounts at present to about Rs. 5,700 per mensem, the total sum assured at the end of February 1896 amounted to Rs. 14,89,502.

Deputy Auditor General's Remarks.

10. Interest is calculated at $3\frac{4}{7}$ per cent—the balance being invested in the State Savings Banks.

11. The Comptroller, who is *ex-officio* Secretary to the fund, keeps up a set of accounts in this capacity, and the realisations are regularly compared with the Comptroller's accounts received from the treasuries and their corrections certified to.

12. The accounts have been examined and appear in order. The cash book should show the actual charges paid for establishment, &c., and not the amount due or billed for.

13. It might be convenient if the register of policies had a running total showing the total value of policies issued to date.

14. The register of policies paid might also contain those lapsed and withdrawn and a running total to date of these. The difference between the totals on this register and on that of policies issued would show on any given date the actual number and value of policies outstanding on date.

Comptroller's Notes.

12. This was the practice in previous years in order to arrive at the actual balance in favour of the fund exclusive of all liabilities. The procedure will be changed in future.

13—14. In certain cases as noted below the amounts entered in the register of policies are subject to alteration. It is not therefore possible to give a correct running total.

(1) Proposer failing to receive his policy in time *i. e.* before the next year of his age commences.

(2) Proposer undergoing a reduction in pay before he receives the Policy.

(3) Lapses

The register of policies paid is prescribed exclusively for recording the payments made, and it is not therefore convenient to include therein lapses and withdrawals.

The actual number and amount of policies on any date can be ascertained from the annual and quarterly reports and the current register.

Private Charities.

Credit balance Rs. 3,17,000

15. This partakes of the nature of a trust fund and consists of sums deposited by various benefactors for charitable endowments.

16. Funds were received on deposit on the following terms—

(1) No deposit received below Rs. 3,000 or above Rs. 1,00,000.

(2) Interest allowed at 5 per cent.

(3) Deposits only accepted on behalf of *bonâ fide* benevolent, charitable, or educational institutions or objects.

(4) Bonds are required from depositors providing against any subsequent withdrawals.

17. The system is in abeyance pending the Maharaja's minority.

Deputy Auditor General's Remarks. Comptroller's Notes.

18. The accounts prove that the conditions have been adhered to; the income in each case being devoted to certain specified objects falling within the rules.

II. B CLASS FUNDS.

Local Funds.

19. These funds are formed from the proceeds of a One Anna Cess on each rupee of Land Revenue; a similar cess is levied on collections of Sayer, Abkari, Coffee, Salt, Forest produce, &c.

District Funds—
Credit balance Rs. 4,44,822
Village School Fund—
Credit balance Rs. 2,75,740

20. Seventy six per cent of these funds (except those noted below) are allotted to the District Fund, and 24 per cent to *Village School Funds* which is *Provincial.*

21. The funds at the disposal of District committees, are spent on roads and communications required in the taluks in which the money is collected.

22. This fund receives 76 per cent of cess on Abkari, Miscellaneous and Supari (in six Districts) collections.

Local Funds General—
Credit balance...Rs. 4,90,528

23. The income of this fund is held available to meet special grants for local purposes made under the authority of Government.

Note.—The accounts of these funds are audited by the Comptroller.

24. This is formed from a cess of one anna levied on each rupee of Survey Assessment on wet lands, and is utilised for repairs to tanks in the Taluk or District.

District Irrigation Fund—
Credit balance...Rs. 5,02,423

25. The amount available during the ensuing year is notified to the Public Works Department and up to this sum expenditure can be made.

26. Each dispensary in the State is granted a fixed allowance of Rs. 10 per annum for contingencies; any savings which accrue are credited to this fund which is devoted to any special purchase of medical stores.

Medical Stores: Local Fund Dispensaries—
Credit balance ...Rs. 9,333.

27. The Senior Surgeon is the administrating officer.

Deputy Auditor General's Remarks. Comptroller's Notes.

Muzrai Funds.

28. This (*a*) fund is formed from the savings which have accrued from unexpended grants made by Government for the maintenance and repair of temples and rest houses in the State.

(*a*) Muzrai Surplus Fund—Credit balance Rs. 33,143.
(*b*) Muzrai Temple Fund—Credit balance Rs. 3,37,952.

29. It also comprises private donations from devotees and others, and miscellaneous receipts of temples.

30. This (*b*) fund is practically the property of private parties, and the balance is held in trust by Government. Of the balance, Rs. 2,10,700 are invested in Government securities.

31. The funds are controlled by District officers in charge of the Muzrai Fund.

32. Bills are received and audited in Establishment registers and Building registers.

33. Miscellaneous charges are passed on the counter-signature of the District officer. Special orders for unusual expenditure are recorded, and certain recurring charges are passed against recorded sanctions of Government.

34. At the same time accounts are submitted to the Muzrai Secretary to Government by the administering officers, but the net results of the accounts kept by the Comptroller and the Secretary are only compared once a year at the Dasara.

35. Monthly extracts of the Comptroller's accounts should be furnished to the Secretary; any difference would at once be detected, and there would be little or no difference to reconcile at the end of the year.

35. The monthly abstracts showing in detail the receipts and payments under all service and debt heads sent to Government are available to the Muzrai Secretary for check with his accounts. He will however be consulted in the matter.

Municipal Funds.

36. There are in all 107 Municipalities as noted in the margin

Credit balance Rs. 3,34,308.

Bangalore	17	Hassan...	13
Kolar ...	11	Kadur ...	8
Tumkur...	16	Chitaldrug	9
Shimoga	14		
Mysore ..	19		107

37. The marginal figures † show the receipts, disbursements and balance for 1894-95, and, compared with those for 1884-85, they exhibit a considerable growth of income.

	Opening balance.	Receipts.	Disbursements.	Closing balance.
†1884-85	2,06,737	3,09,106	3,01,436	2,14,407
1894-95	2,57,107	5,86,893	5,09,692	3,34,308
Increase.	50,370	2,77,787	2,08,256	1,19,901

Deputy Auditor General's Remarks.

38. There does not appear to have been any undue accumulation of funds, the figures for a period of ten years showing little variation between receipts and disbursements in any given year.

39. The accounts are all audited in detail in the Comptroller's office. Test audit was applied to the Shimoga District and the deficiencies apparent in the Treasury Audit branch already brought to notice were found to have occurred in this branch.

40. Any modifications which the audit office may find necessary are entered on the original accounts submitted by Municipalities, and these are returned to enable the officers concerned to correct the office copies of their accounts.

41. Much delay occurs in the final return of the original accounts to the Comptroller.

42. I am inclined to think that the use of a form in which the necessary corrections might be entered and which would provide for an acknowledgment on the part of the administering officer that he had carried out these corrections would be preferable to the transmission backwards and forwards of original documents.

43. Annual statements are prepared from the classified abstract for submission to Government.

44. A comparison of these with the books shows that while the figures submitted to Government and intimated to the District officers exhibit a closing balance on 30th June 1895 of Rs. 3,83,837, the ledger shows a balance as noted above of Rs. 3,34,308 on that date.

45. It is explained that a difference has been in existence ever since the Municipal accounts first came under the Comptroller's audit in 1892-93.

46. The difference is said to be due to adjustments made by the Comptroller but not carried out by Municipal officers.

Comptroller's Notes.

39. The explanation given against the various remarks under the Treasury Audit branch in Appendix D will apply to this branch also.

40 to 42. Formerly from the three following annual statements *viz.*

I Statement showing the income of the municipalities during the year,
II Statement showing the expenditure,
III Statement showing octroi collection,

received from the Deputy Commissioners, one consolidated statement for the whole province used to be made and submitted to Government.

A regular system of audit of Municipal accounts was organized in 1892-93 and the clerks in the District offices being still new to the work there have still been many imperfections. At first we used to send statements of corrections as suggested but the adjustments were not made in the accounts concerned punctually and systematically in the districts and so the present practice of sending original accounts with corrections was adopted with the result that it has been found to work more satisfactorily.

43 to 56. From the commencement there were differences, and no verification was made. When the districts were broken up in 1882-83 after famine and re-constituted later on in 1885-86, no attempts were made to verify these balances and to transfer them to different Districts and Municipalities concerned. These circumstances have added greatly to the difficulty of tracing out differences and effecting necessary adjustments. However since 1892–93 the year in which a special branch was formed in this office for auditing these accounts in detail, three out of eight district balances have been examined, and the rest will be done this year.

Deputy Auditor General's Remarks.

47. A further difference exists between the figures exhibited in the ± Statements of Treasury officers for the month of June 1895, when the aggregate closing balances of the year work out to Rs. 3,96,804.

48. No attempt seems to have been made to reconcile the differences between the ± memos and the accounts.

49. Thus there are three sets of figures representing the closing balance which vary considerably--

	Rs.
Ledger	3,34,308
Balance intimated to Dy. Comr.	3,83,837
+ Imprest	5,547
	3,89,384

Balances shown in Treasury officer's ± memos 3,96,804

50. There is a small difference of Rs. 10 between the figures communicated to the District officers and those contained in the statement submitted to Government.

51. I understand that the matter is being looked into.

52. It is noticed that the Treasury ± memos, of Municipal accounts seldom if ever accompany the Treasury accounts.'

53. At this time (early in June) the District accounts for April have all been received and are under audit, while no Municipal accounts have been received since December.

54. As the last published account of the transactions of Municipalities is for 1892-93, I have had the following epitomé of those for 1894-95 prepared.

55. This statement again shows a closing balance which differs from the others quoted above.

Comptroller's Notes.

Statement showing Municipal Receipts and Expenditure of the Province during 1894-95.

Heads of Receipts.	Amount.	Heads of Expenditure.	Amount.
	Rs.		Rs.
1 Octroi	1,47,521	1 Interest on debt	1,006
2 Tax on houses and buildings ...	1,30,469	2 Head office	26,159
3 License receipts	33,681	3 Collection	21,579
4 Carriage tax	397	4 Conservancy	1,11,733
5 Tax on animals	539	5 Police	71
6 Mohatarfa taxes	1,14,082	6 Registration of births and deaths ...	966
7 Rents	20,148	7 Lighting	31,656
8 Fines	98	8 Public works	1,77,260
9 Miscellaneous	1,09,481	9 Charitable grants	38,493
10 Loans	17,936	10 Contribution towards education ...	36,106
11 Advances	44,213	11 Miscellaneous	33,328
		12 Payment of debt	2,000
		13 Advances	58,351
Total Receipts ...	6,18,565	Total Expenditure ...	5,38,708
Opening balance ...	3,09,537	Closing balance ...	3,89,394
Grand Total ...	9,28,102	Grand Total ...	9,28,102

Deputy Auditor General's Remarks.

Comptroller's Notes.

56. It is evident that there has been a want of proper system; that corrections made in the accounts rendered to the Comptroller have either not been carried out in the Municipal offices or improperly done, and *vice versa*, the result being a state of confusion which it will take much labour to set right. So far back as 1878 Mr. Westland, in his Inspection Report, noticed the difference between balances shown in the Comptroller's ledger and those claimed by Municipalities.

GUMBUZ FUND.

57. This fund derives its income from the interest on investments, sale proceeds of garden produce, and savings from certain allowances made by Government for the upkeep of the tombs and gardens. It is administered by the Muzrai officer.

	Rs.
Debit balance	808
Invested fund	17,000

58. The invested funds should be treated as charitable endowments.

58. Government will be addressed on the point.

SAYER AND OTHER COLLECTIONS PAYABLE TO INAMDARS.

59. There are certain Inam villages the revenues of which go to the support of certain inamdars. The sayer revenues in these villages are collected by village servants—90 per cent for the benefit of the inamdars and 10 per cent are credited to Government; of this, 5 per cent is paid to the village servants and 5 per cent remains to the credit of Government. Payments are passed on the Treasury officer's certificate of sufficient balances. No check is exercised over this expenditure.

	Rs.
Credit Balance	30,865

59. Under Deputy Accountant General's Circular No. 124, dated 19th November 1863, allowances deducted from sayer and other collections were ordered to be credited under a separate head styled 'Allowances deducted from sayer and other collections' and payments made on separate bills pre-audited by this office. The payments were virtually refunds of collections. According to the procedure observed for the refund of revenue collections, the Deputy Accountant General directed in his Cir. No. 292, dated 21st June 1865 that a certificate* in the form prescribed therein should be attached to the bill to enable this office to authorize payment. The same practice has been followed. The Comptroller General instructed in 1878 on the report of Sir J. Westland's inspection that such amounts should be credited to deposits and that payments should then be made under the rules for deposit audit, but the reasons for not carrying out these instructions are not known.

MILITARY FUNDS.

	Rs.
Credit balance—	
Sillahdar Stable Fund	725
Chanda Fund	50,135
Barr Lines Repair Fund	2,117
Manure Fund	1,178
Stallion Fund	2,222
Cloth Surplus Fund	2,842
Debit balance—Equipment account	Rs. 79,819

60 These are of the usual nature of regimental funds and are merely banking accounts—the management of the funds resting with the Military Secretary. There is no check over details.

Certified that the above sums have been realized and credited in the Treasury accounts of this District for.....

Deputy Auditor General's Remarks.

Comptroller's Notes.

61. The Equipment Fund balance represents balance of stock on hand and advances recoverable from troopers and sepoys.

PRIVATE ESTATES UNDER GOVT. MANAGEMENT.

62. This is the balance at credit of an account which receives sums credited and debited by District officers in charge of the estates. No check can be applied by the accounts branch. The balance is reconciled with that shown by the Revenue Secretary once a year.

Rs.
Credit balance... 24,008

63. Monthly extracts should be furnished to the Secretary of items appearing on the Comptroller's books for purposes of comparison and check.

63. Will receive attention.

III. DEPOSITS.

REVENUE AND JUDICIAL DEPOSIT.

Revenue—Credit balance Rs. 5,99,429
Judicial—Credit balance Rs. 98,711

64. The prescribed registers of receipt and payment are kept.

65. No annual accounts. Particulars or Clearance registers have been kept until quite recently when Clearance registers were introduced.

65. From the Deputy Accountant General's Circular No. 1198, dated 3rd April 1875 it will appear that only annual balance statements were required to be sent. In a subsequent Circular No. 1262, dated 22nd March 1876, annual account particulars of deposits were directed to be sent according to codal instructions, but the statements received were only balance statements showing the items that remained unpaid on the 31st March 1876 although they were headed 'Annual Accounts Particulars.' It is not known why the circular orders did not take effect. In the circular letter No. 6158 dated 9th March 1878 only annual balance statements were called for. In the circular issued subsequently, the term Annual Accounts Particulars was used instead of annual balance statement. Whatever it may be, the statements received annually were in reality annual balance statements although they were called 'Annual Account Particulars.'

In 1893-94 when the form of Clearance Register was circulated to be adopted instead of Annual Accounts Particulars, the use of it was closely studied and at once introduced discontinuing the annual balance statement.

Deputy Auditor General's Remarks.

66. No. proof sheets have been kept. (For. 112.)

67. A check is exercised in a round-about method which is not at all systematic.

68. Each District submits quarterly to the Comptroller for transmission to Government a statement of *all outstanding items to date in detail.*

69. These statements are submitted *months* in arrears; those for 31st December 1895 had not all come in on the 24th April by which time those for 31st March should have been due.

70. There is no board kept to show due and actual date of receipt.

71. The preparation of these quarterly returns must cause an enormous amount of labour, the more so that much laxity exists in the scrutiny applied by District officers to the items brought on Deposit.

72. These include all sorts of items which should be credited elsewhere; in spite of instructions on the subject, the same errors constantly recur.

73. No plus and minus memorandum accompanies the monthly accounts as directed in Article 369 C. A. Code.

74. Generally speaking, the deposit accounts and check are in a very unsatisfactory state.

75. It is impossible for me to work out the balances according to year of receipt; it would take up more time than I can spare, but if the proof sheets are to be introduced, and it is most important that they should be, it will have to be done.

76. In order to arrive at the figures required to open the proof sheets, say for 1896-97, it will be necessary to take up the extract receipt registers for 1895-96 and

Comptroller's Notes.

66 to 75. No proof sheet was maintained from the commencement, though it was prescribed in the Comptroller General's Circular No. 196 of 17th January 1875. However, along with the introduction of Clearance Register in 1893, the question of introducing proof sheets was also considered, but as the balances were checked and statements submitted to Government quarterly for review, proof sheets were not considered very necessary. These will be maintained in addition to the quarterly statements, unless the Government dispenses with the latter.

Under Deputy Accountant General's Circulars on the subject of deposits, several items prohibited in the Code were allowed in this province on special considerations. In recent years the deposits have been reviewed in this office with greater attention than before and a plus and minus Memorandum furnished annually.

The rules prescribed by the Comptroller General were never introduced into this office in their entirety, the accounts hitherto maintained in this office being only:—

(1) Extract Register of receipts.
(2) Do payments.
(3) Quarterly balance statements.
(4) Annual balance statements with a plus and minus memo at foot.

These are at once simple and intelligible, though somewhat more laborious than the processes prescribed in the Code, and have hitherto worked well.

There was a difference of only Rs. 1,208 between the book balances and those shown in the deposit accounts at the close of 1894-95 accumulated during a long period of 32 years. This too has been traced and adjusted in the accounts of 1895-96 which shows that sufficient check has been exercised in connection with deposits and that the present system has been working so far satisfactorily. The proof sheets and broad sheets which are the only statements now wanting in this system, will be introduced as additional checks.

76.—80. Balances can easily be calculated according to year of receipt in a short time from the statement of balances of the last quarter which have already been verified with

Deputy Auditor General's Remarks.

take out the payments made during 1895-96 against receipts month by month.

77. Similarly, the extract receipts for 1894-95 will have to be so treated.

78. The balance of re-payments during each month of 1895-96 will have to be shown as for 1893-94 and previous years.

79. This process is of course working backwards and practically amounts to cooking the proof sheet, but it is the only way in which a beginning can be made, and it is absolutely necessary that the proof sheets should be introduced next year.

80. As regards balances to open the proof sheets these must be picked out from the quarterly return submitted by District officers of balances outstanding on 30th June 1896.

81. There should be four deposit receipt registers in current use, *viz.*, those for current and last year, and the clearance registers for two years preceding these again.

82. Taking the balances on 30th June 1895, they were as follow—

	Rs.
Balance Rev. Deposits 30th June 1895 as per ledger	5,98,919
Ditto ditto as per Accounts ...	5,99,947
Difference	1,028
Balance Judl. Deposits 30th June 1895 as per ledger	98,711
Ditto ditto as per Accounts ...	98,711

83. The check over these consists in comparing the last quarterly statement of the year furnished by the District officers, with the monthly statements of deposits also received from the Districts.

84. The figures for each District are then entered in a broad-sheet and the total transactions of the Province are thus arrived at.

85. The Book Department does not take any steps to compare these results with the general books, but the Superintendent, Deposit Branch, compared them.

Comptroller's Notes.

the Treasury statements according to the existing system and found to agree with the ledger balances. This statement contains unadjusted items in detail from 1892-93 to 1895-96 entered in order of date. The items of each of these years require to be simply totalled in order to get the requisite figures for opening a proof sheet for 1896-97. These totals are even now available in a foot note given in the Clearance Register of 1895-96. There is therefore no necessity for any "working backwards" "or cooking up."

A Proof sheet for 1896-97 has already been opened.

85. We have had no separate Superintendents for the Book and Deposit Branches.

Deputy Auditor General's Remarks.

86. The difference under revenue deposits noted above was investigated after the year was over. This investigation resulted in the preparation of various explanatory memoranda which up to the middle of May 1896 had not been scrutinized or examined or approved by any responsible officer.

87. No adjustments have as yet been made, and so far as the accounts go, the difference still exists.

Comptroller's Notes.

86 & 87. The difference of Rs. 1,028 under Revenue Deposits had been scrutinized and a memo of explanation drawn up, but before it had been passed by the Assistant Comptroller or Comptroller and entered in the Transfer Book, it had to be shown to the Deputy Auditor General as an explanation for the difference which has since been adjusted.

Government Savings Bank Deposits.

88. The Banks were opened in 1879, and the following statistics show their position at close of 1894-95—

Credit balance...Rs. 30,23,286

1. Number of Banks open—69
2. Number of Accounts open—8,343
3. Deposits during 1894-95—Rs. 17,08,910
4. Withdrawals—Rs. 16,34,233
5. Balance—Rs. 30,19,335-0-3

89. The accounts were kept in the treasuries and Comptroller's office, according to the system in force when the Comptroller General managed the savings banks in British India.

90. There are no rules in existence for the guidance of the accounts office, but the procedure originally adopted has been handed on and in course of time has become more or less deficient in some particulars.

90. The particular deficiencies are explained against succeeding paras.

91. There are no indexes to depositors' ledgers.

91. Up to 1881-82 indexes were opened for depositors' ledgers, and as the number of depositors considerably rose (from about 2,000 and odd in 1881-82 to about 8,000 in 1894-95) the opening of index for each ledger was found to involve much labor without adequate advantage, reference to the ledger folios of depositors' accounts being facilitated by the serial numbers of different accounts given in the journal. The indexes were therefore not opened.

92. Postings of all accounts from July to November 1894 were done about the middle of January 1895. It was explained that owing to insufficient establishment it was not found possible to close the books for 1893-94, work out interest, &c., and open new accounts and keep current work up to date at the same time.

92. The sum of Savings Bank balance is over 30 lakhs, number of depositors over 8,000 and we have only two Accountants for this work Government will be solicited to grant increase of establishment.

Deputy Auditor General's Remarks.	Comptroller's Notes.
93. The original rules required certain weekly returns from banks: these are not submitted, and I do not think they are needed.	93. From the commencement no weekly returns were received.
94. *Annual Return of Open Accounts.*—These are submitted from each district; there is no broad-sheet to check their receipt and disposal.	94. No separate register was ever maintained to show when they were received and how disposed of, but the date of receipt is readily ascertainable from the Date Stamp of office impressed on the returns themselves or on the covering dockets, and their disposal from the instructions issued by this office to Treasury officers on such returns.
95. Special numbers are not assigned to each separate bank and cannot therefore be quoted on all pass books, accounts, &c., as required by rule.	95. No rule of this kind is in the Comptroller General's Circular. Names of Banks are given on the Pass Books.
96. Depositors are not classified from the index cards according to occupation, as professional, domestic, commercial, agricultural, industrial.	96. It was not usual to compile these Statistics as they were not required by Government. But a classified statement was prepared for 1893-94 specially under orders of Government. Similar statements will be prepared in future.
97. There is no means of knowing how many open accounts exist in each district except by counting them up in the ledgers. A simple plus and minus memo at the beginning of each ledger would furnish the necessary information.	97. This is not prescribed in the Comptroller General's rules, nor was any necessity felt for such information. The memo may show the number at the beginning of each year, but not the number on any date, unless the plus and minus memo is posted every month. The former information can be obtained from the annual return of open accounts referred to against para 94 *supra*.
98. The total annual receipts and payments are checked with the annual lists of open accounts received from each District. A memorandum is prepared from the Treasury lists of payments and cash accounts of the debits and credits to savings banks and this is checked with the several District returns.	
99. The rules provide for a ledger in which the district journals shall be entered month by month and the postings totalled and balanced; the ledger being intended to serve as a link between the accounts of the savings bank branch and the general books in the book department.	99.—100. In the rules prescribed by the Comptroller General, which are followed in this office, no such provision is made and the ledger referred to was never maintained from the commencement. A monthly broad-sheet as in the case of other deposits will serve the purpose and will be opened.
100. Such check, which is a fundamental principle in all accounts offices, is entirely omitted in this as in other branches of the office: an annual comparison is effected but not methodically or in the manner prescribed.	

Deputy Auditor General's Remarks.

101. No transfer entries are prepared so as to bring the amount of dead accounts on to the general books.

	Rs. a. p.
The Savings Bank Branch shows Balance of deposits on 30th June 1895	30,19,335 0 3
The General Books show Balance.	30,23,286 7 4
Difference ...	3,951 7 1
Dead Accounts	3,784 2 9
Difference unexplained ...	167 4 4

102. In answer to my enquiries what this difference meant, it was explained that it must be due to dead accounts, but as no transfer entry of the amounts of such accounts had been passed through the books, and no abstract of these items existed, I had to work out the details myself. It turned out that the difference exhibited had been noticed, and an attempt to discover its origin had been made, though up to date without success.

103. A regular systematic comparison of the accounts with the books *monthly*, and the proper preparation of transfer entries would have enabled the office to note at once in which month the error began.

104. From the memorandum at head of this note it will be seen that the deposits and withdrawals for the year differ by only Rs. 74,677 in favour of deposits.

105. Nothing in the shape of an annual report on this branch appears to have been compiled.

Comptroller's Notes.

101. & 102. The amounts of Dead Accounts should always be available for payment to parties whenever they are claimed. The rules prescribed by the Comptroller General do not lay down that such amounts should be transferred to a separate head of account under 'Public Debt.' They are therefore allowed to remain under 'Savings Bank Deposits Balance.' There are two separate accounts showing the balances under 'Open Accounts and Dead Accounts.' The total of these two balances is the balance shown under Savings Bank Deposits in the General Accounts. However the balance under Debt Account has since been transferred to a separate head of account under Public Debt as laid down in the Manual of the Accountant General, Madras.

The difference of Rs. 167-4-4 is under investigation and will be adjusted.

Municipal Deposits.

106. These are the deposits of Municipalities whose accounts are audited by the Comptroller.

	Rs.
Credit balance ...	13,739

107. This sum includes deposits of Mysore and Bangalore District Municipalities only, the orders directing the separate account of Municipal deposits being of recent date, others will eventually be included.

Palace Deposits.

108. This is the balance of an account current with the Palace Controller.

Credit balance...	2,63,279

109. The account is credited with the interest on Government securities held in the name of the Dewan on behalf of the Maharaja's private estate, interest and dividends on shares and debentures, and

Deputy Auditor General's Remarks.

Comptroller's Notes.

other miscellaneous receipts paid into treasuries for credit of the Palace Account.

110. The chief item is the annual grant for the Maharaja's civil list of 14 lakhs.

111. On the debit side appear all sorts of payments made by the Comptroller, either fixed recurring charges for salaries or tradesmen's bills, ordered for payment by the Palace Controller; or lump sums placed at credit of the balance account from time to time with the Mysore branch of the Bank of Madras.

112. The receipts are all paid into the Huzur or Mysore Treasury.

113. The payments occur chiefly at the Huzur Treasury, but a few also appear in the accounts of other Districts.

114. The vouchers are all filed with the District accounts, but I think it would be better if there were files of vouchers to support each month's accounts.

115. Copies of this account are furnished monthly to the Palace Controller but there is nothing to show that he accepts the figures, and this should be remedied.

115. No provision is made for intimation of such acceptance in the order of Government under which these accounts are furnished. The Palace Controller could of course question or call for further information of any doubtful items. He will be addressed on the point.

116. Regular recurring charges are audited in the gazetted audit register for salaries; in the establishment audit register for a small establishment charge; and for pensions in the penson audit register specially set apart for these pensions.

CHAMRAJ BAHADUR.

117. An allowance of Rs. 1,200 a month is made to Devaparthiva Raj Bahadur, an illegitimate grandson of a former Maharaja, and will lapse at his death.

	Rs.
Credit balance ...	22,425
(of which Rs. 21,500 are invested in Government securities).	

118. Meantime Rs. 600 per mensem is retained by Government and invested from time to time in Government securities on behalf of his son.

SIVARAMRAJ BAHADUR.

119. An allowance of Rs. 1,200 a month is granted under similar circumstances and on similar terms to the last except that Rs. 400 per mensem is retained and invested.

	Rs.
Credit balance	11,141
(of which Rs. 9,200 are invested).	

Deputy Auditor General's Remarks.

101. No transfer entries are prepared so as to bring the amount of dead accounts on to the general books.

	Rs. a. p.
The Savings Bank Branch shows Balance of deposits on 30th June 1895	30,19,335 0 3
The General Books show Balance.	30,23,286 7 4
Difference ...	3,951 7 1
Dead Accounts	3,784 2 9
Difference unexplained ...	167 4 4

102. In answer to my enquiries what this difference meant, it was explained that it must be due to dead accounts, but as no transfer entry of the amounts of such accounts had been passed through the books, and no abstract of these items existed, I had to work out the details myself. It turned out that the difference exhibited had been noticed, and an attempt to discover its origin had been made, though up to date without success.

103. A regular systematic comparison of the accounts with the books *monthly*, and the proper preparation of transfer entries would have enabled the office to note at once in which month the error began.

104. From the memorandum at head of this note it will be seen that the deposits and withdrawals for the year differ by only Rs. 74,677 in favour of deposits.

105. Nothing in the shape of an annual report on this branch appears to have been compiled.

Municipal Deposits.

106. These are the deposits of Municipalities whose accounts are audited by the Comptroller.

	Rs.
Credit balance ...	13,739

107. This sum includes deposits of Mysore and Bangalore District Municipalities only, the orders directing the separate account of Municipal deposits being of recent date, others will eventually be included.

Palace Deposits.

108. This is the balance of an account current with the Palace Controller.

Credit balance...	2,63,279

109. The account is credited with the interest on Government securities held in the name of the Dewan on behalf of the Maharaja's private estate, interest and dividends on shares and debentures, and

Comptroller's Notes.

101. & 102. The amounts of Dead Accounts should always be available for payment to parties whenever they are claimed. The rules prescribed by the Comptroller General do not lay down that such amounts should be transferred to a separate head of account under 'Public Debt.' They are therefore allowed to remain under 'Savings Bank Deposits Balance.' There are two separate accounts showing the balances under 'Open Accounts and Dead Accounts.' The total of these two balances is the balance shown under Savings Bank Deposits in the General Accounts. However the balance under Debt Account has since been transferred to a separate head of account under Public Debt as laid down in the Manual of the Accountant General, Madras.

The difference of Rs. 167-4-4 is under investigation and will be adjusted.

Deputy Auditor General's Remarks. Comptroller's Notes.

V. ADVANCES.

Permanent Advances.

120. The ledger balance is as shown in the margin, but the District details only work up to Rs. 13,485, showing a difference of Rs. 2,021.

	Rs.
Debit Balance ...	15,506

120. The Comptroller General directed in his letter of 1878 on the report of Sir J. Westland that the entries in the Register should be totalled and agreed with the Ledger Balance, but no action appears to have been taken on this, and the same state of things has been allowed to continue. An examination of the balance along with other Debt Accounts has been instituted and the difference will be shortly adjusted.

121. The accounts are kept in a register by Districts; advances are not numbered consecutively, and the acknowledgments are not filed and bear no number. The old acknowledgments are not destroyed.

121. The acknowledgments are filed with the letters received and will be destroyed in due course as old records.

122. Separate money columns for each year are not kept; no annual totals are made, and there is no broad-sheet. The whole system is imperfect, and as worked it is impossible to expect the register balances to agree with the ledger. There are no signs of any supervision or check.

122. As alteration in the amount of permanent advances is entered as a separate transaction the old ones being cancelled, no necessity was felt for a money column for each year. The form prescribed in the Code will hereafter be adopted. No Broad-sheets had ever been kept, but will be opened now.

Forest Working Charges.

123. The ledger shows a balance of Rs. 87,173-2-6 as brought forward from the year 1892-93. This must be accepted.

	Rs.	a.	p.
Debit balance ...	1,23,277		
Balance ..	87,173	2	6
Net Debits ...	3,10,715	13	7
Total ...	3,97,889	0	1
Net Credits as per Forest account.	2,98,941-1-7		
Treasuries ...	1,601-12-8		
	3,00,542	14	3
Balance ...	97,346	1	10
Balance as per ledger.	96,646	9	10
Less shown on 30th June 1894.	699	8	0

The gross debits are as under—

	Rs.
Forest advances proper ...	2,71,025
Khedda advances shown under Forest advances.	41,200
	3,12,225

124. These figures include refunds made into the treasuries by Forest officers, which are charged a second time to Advances in

Deputy Auditor General's Remarks.

the Forest account, as per contra credit appearing in the same month and accounts besides the credit in the Treasury in cancellation of the original debit. The net transactions were—

	Rs.	a.	p.
Forest advances	2,69,515	13	7
Khedda advances	41,200	0	0
	3,10,715	13	7

or, in other words, Rs. 1,509-2-5 were both debited and credited to Advances during 1893-94 on account of cash recoveries.

125. Under the present system an amount that is refunded into the treasury by a Forest officer undergoes three sets of adjustments, namely—

(1) The amount when first drawn is debited to Forest remittances in the Treasury and credited to Forest remittances in the Forest account.

(2) The amount is charged off at once in the Forest accounts under "Advances for conservancy and works," and when it is refunded into the treasury by the Forest officer, credit is given to advances in cancellation of the original debit and again charged to advances. This last debit is cleared by the credit given in the Treasury Account to advances.

126. The charges, as per the Forest Abstract, are as under—

	Rs.	a.	p.
Forest	2,41,302	15	6
Khedda	57,638	2	1
	2,98,941	1	7

whereas the ledger shows Rs. 3,02,751-8-8 or a difference of Rs. 2,301-4-8, which is accounted for by the following—

	Rs.	a.	p.
Excess shown over Khedda account figures	699	8	0
Recoveries credited in District treasuries ...	1,601	12	8
	2,301	4	8

127. Rs. 699-8-0 was disallowed by this office on the bill for working charges for June 1894, and should have been shown net in accordance with the practice adopted in this office. (The item was actually adjusted by the Conservator in his accounts for March 1895, but was not brought on the Comptroller's book, so that the difference still exists). In fact the details were posted net and totalled in ink. This total was afterwards struck out and a gross total posted in pencil. In making the total for the year the gross figures were taken into

Comptroller's Notes.

125. The three sets of adjustments have not been fully explained. The second debit to "Advances" is to cancel the credit given in the "Treasury Account" under "Forest Advances" for money refunded by Forest Department. One of the three sets of adjustments though redundant maintains an exact record of the transactions. This mode of adjustment has been followed in this office from the commencement but the correct method would be to debit in the "Forest Account" under "Forest Remittances" the amount refunded to Treasury and to credit it in the "Treasury Account" under "Forest Remittances." This question together with the treatment of the "Forest Accounts" will be considered in consultation with the Conservator of Forests and Government orders obtained thereon in due course.

127 and 128. The examples given relate chiefly to differences of Rs. 699-8-0 in the Khedda Account and Rs. 92-10-3 in the Kadur District Account. These are apparently clerical errors and not due to the system of account *vide* explanation in Appendix D. against Forest Department.

Deputy Auditor General's Remarks.

Comptroller's Notes.

account and the books posted; subsequently the gross total was struck out and a net total shown, and hence a difference in the figure as per Forest account and those brought on the ledger. The balance was consequently reduced by Rs. 699-8-0. The other item, namely Rs. 1,601-12-8, appears as receipt in District Treasuries and consequently is in excess of the Forest abstract. Out of this Rs. 1,509-2-5 were both debited and credited by the Forest officers to the head Advances, and Rs. 92-10-3 appears as a credit in the Kadur cash account for June as a correction made under advice from the Treasury Officer. It should have been shown in the Forest account also for the make of uniformity of practice.

128. The foregoing exemplifies the inconvenience of the method adopted for dealing with Forest accounts noticed under Appendix D. Unauthorised corrections and alterations in pencil result in differences between figures in various stages of the accounts which it is difficult and almost impossible at times to reconcile.

129. The balance at close of 1894-95 was Rs. 1,23,294-6-8 as shown in the disbursement abstracts, which, as has been explained elsewhere, are only prepared once a year instead of monthly.

130. But no one thought of satisfying himself that the Forest Department recognise this balance as correct, and indeed there is no means adopted to prove this balance.

130. The balances are reviewed by the Inspector General as this office has no means of checking the outstandings against the Forest subordinates and contractors.

	Rs.
Balance as per District Forest Officer's statements	86,217
Disallowed by Inspector General from working charge bills	42,214
	1,28,431
Less erroneously added	2,212
Net Total as per Inspector General's statement	1,26,219
Balance as per Comptroller's books ...	1,23,277
Difference still to be explained ...	2,942

The difference of Rs. 2,942 will be analyzed and adjusted shortly.

Jail Manufacture Advances.

Debit balance Rs. 5,079

131. Accounts are received monthly from the Bangalore Central and the Mysore and Shimoga District Jails.

132. The practice obtaining in this Province is to charge to a head "Advances for Jail Manufactures" all amounts drawn by the Superintendents of Jails either for the purchase of raw materials or for the payment of incidental charges connected with

Deputy Auditor General's Remarks.

Comptroller's Notes.

the manufacture of articles for sale. All receipts, whether on account of sales to the public or supplies to Government departments, are credited to the Advance head, and an adjusting entry made at the end of the year transferring the excess of credits over debits to "Sale proceeds of Jail Manufactures." This system requires a great deal more of accounting and adjustment and a closer scrutiny as regards the balance outstanding than the system in vogue in British India where the cost of the Jail Department is shown in the public accounts as the cost of the service as a whole without reference to the details of the service rendered, *vide* Article 95 (I) (A), C. A. Code, although Jail Manufactures is a branch of a service department constituted upon commercial principles, and as such allowed to charge other public departments for services rendered or articles supplied, Article 95 VI, C. A. Code.

133. Amounts received into the treasuries on account of sale proceeds of Jail Manufactures are credited in India to Service Head XVI B Law and Justice, Jails. Book adjustments are made in the audit office only for supplies exceeding Rs. 50 made to public departments. The department concerned being charged and credit afforded to Jails by a reduction of charges against "Purchase of raw materials."

134. Accepting the present system, the following remarks suggest themselves.

135. A manufacture account is received monthly showing on the Debit side—

(1) Cash in hand.

(2) Amount realised on account of credit sales with a ± memo and list of credit sales.

(3) Cash sales.

No check can be exercised on the last two items by this office.

(4) Amount received from treasuries.

This amount is checked with the debits in the Treasury accounts on account of "Advances for Jail Manufactures." As this amount is posted from the original receipts of the Jail Superintendent, there is no necessity for a further acknowledgment from him.

(5) Supplies to Government departments are both debited and credited in the accounts.

(6) Charges on account of work—instructors (establishment charges), purchase of raw materials, and contingencies are credited in the accounts and a balance worked out.

Deputy Auditor General's Remarks.

136. It would greatly simplify matters, in fact this account could be done away with altogether, if, instead of drawing advances from the treasury and making payments out of such advances, the Superintendent would present to the treasury bills in the ordinary way for charges incurred (which would be paid out of the permanent advance) as regards contingencies and establishment bills for pay of work instructors. These bills would then be subject to regular audit, which is not now the case, and would be charged to "Advances for Jail Manufactures." All that need be sent in future would be a quarterly statement of supplies made to public departments with vouchers in support. Adjustments should be made immediately on receipt of these quarterly statements instead of the present practice of accumulating accounts for the whole year before adjusting these charges. If Article 95 (XI) C. A. C. regarding cash payment for supplies of Rs. 50 and under were enforced, it would further reduce the work of this office, the present practice being to adjust all supplies by book transfer, no matter what the cost be.

137. I notice that five items aggregating Rs. 615-14-10 were omitted from the adjustments made at the end of 1894-95 for want of certain information.

138. As there is no June *Final* adjustments, these items were perforce put off for adjustment in 1895-96. They have not yet been adjusted; the reason given is that the adjustment is made at the end of the year—they should of course have been adjusted on receipt of the information called for.

Comptroller's Notes.

136. Instructions on the same lines had been issued by the Comptroller General, Calcutta, on the report of Sir James Westland, but no action had been taken thereon. The suggestions now made will receive due consideration.

Takavi Advances.

139. There is no broad-sheet of these. These figures come straight from the ledger.

Debit balance... Rs. 12,289

Advances for Relief Works.

140. These are advances to relief tank works, wells, &c.

Debit balance ...Rs. 13,059.

141. A register is kept by Districts under each head of relief in which advances and recoveries are posted. There is nothing to show that any one scrutinizes it.

142. An annual statement is prepared from this, showing the transactions for each District under the several heads.

143. This balance agrees with the ledger, but the book department have not made any general comparison of the accounts with the book.

140 to 143. The quarterly statements prepared from these registers are verified with the books before submission to Government and to the District officers concerned. No formal entry of 'agreed with the books' is made on these registers as it was not the practice to do so. It will be insisted upon in future.

Deputy Auditor General's Remarks. | Comptroller's Notes.

SUPPLY OF LIQUOR BY MESSRS. PARRY & Co.

144. The explanation of the nature of this advance is afforded in the note on Excise Appendix D.

Debit balance...Rs. 33,874

145. This is the balance of value of liquor purchased from Messrs. Parry & Co., and which remains unsold at the end of the year.

146. It agrees with the Bangalore Treasury Officer's figures as shown in his monthly statement of payments to Parry & Co., and sales in each District.

147. Probably the Excise Commissioner should be asked to acknowledge the correctness of the balance shown.

148. No statement is sent to the Excise Department of the figures appearing on the Comptroller's book.

147 & 148. Accounts connected with these advances are kept by Bangalore District Treasury officer who furnishes the Excise Commissioner with one copy and this office with another.

OPIUM ADVANCES.

149. There should not, as a rule, be any balance on this account.

Debit balance ... Rs. 184

149. An adjustment was made in 1894-95 in rectification of an error made in August 1882, but the transfer entry was overlooked when the transactions for 1894-95 was closed. It will be adjusted in the final accounts for 1895-96.

150. The rate of sale is so much higher than that of purchase that the value sold exceeds the balance advanced for purchase, the difference going to credit of "Gain on sale of Malwa opium."

ADVANCES FOR SURVEY BOUNDARY MARKS.

151. This is the aggregate of the balance outstanding and to be recovered from raiyats by District officers along with the Revenue khists.

Debit balance ...Rs. 22,166

152. The amounts are in the first place communicated by the Revenue Survey Department.

153. No comparison of the figures shown by the Comptroller is made with district figures, and there is nothing to show that the district balances, as shown by the Comptroller and as shown by the District officers, agree.

153. It has been explained in the Appendix D. that these accounts are included in the Revenue Demand Accounts and checked by the Revenue Department. Arrangement has however since been made for comparing the Ledger Balances with the District Balances.

REMOVAL OF HOUSES AND OTHER IMPROVEMENTS IN MYSORE FORT.

154. This is the balance of advances made from time to time for cost of clearing the Fort, such as compensation,

Debit balance...Rs. 67,237

Deputy Auditor General's Remarks. Comptroller's Notes.

purchase of sites, &c. It is under consideration of Government to accept the entire cost and clear this account.

155 The amount appears in the Mysore objection book as an item of Advances Recoverable.

EXTENSION AND IMPROVEMENTS OF MYSORE CITY.

Debit balance... Rs. 54,638

156. This item very nearly corresponds with the preceding one. Government propose to accept this charge also.

EXTENSION AND IMPROVEMENTS OF BANGALORE CITY.

Debit balance ... Rs. 5,789.

This is the balance of advances made from time to time to a committee for the improvement of Bangalore City.

157. The President of the committee is responsible for the amount, and he ought to have acknowledged the correctness of the balance, but he has not been asked to do so.

158. The advance is recovered from realization for sale of land, and by bills for works done the cost of which Government accepts.

OTHER EXTENSIONS AND IMPROVEMENTS.

	Rs.
Yedatore	... 6,815
Chikmagalur	... 3,000
Davangere	... 6,151
(Debit balance)	

159. These are balances of sums advanced by Government to Deputy Commissioners for the purpose of assisting municipalities and are adjusted by recovery from the municipalities.

ADVANCE TO THE BANGALORE CITY MUNICIPALITY.

Debit balance... Rs. 10,000.

160. The President is also District Officer, and in this latter capacity he took an unauthorized advance of Rs. 10,000 in 1893-94. Recently orders have been issued directing that the expenditure on audited vouchers and completion report shall be charged off to the municipality.

ADVANCES RECOVERABLE.

Debit balance 30th June 1894—	Rs.
As per ledger	...7,06,098
As per objection book	7,09,362
Difference...	3,264
Debit balance 30th June 1895 As per ledger and objection books	... Rs. 3,65,093—

161. I begin with the balances outstanding on 30th June 1894 as shown in the objection book of each District, which will be taken up separately and the result of the scrutiny applied to the objection books adjustment registers and vouchers

Deputy Auditor General's Remarks.

Comptroller's Notes.

will be duly recorded. The balances on the 30th June 1895 will also be dealt with in detail.

162. Broad-sheets have been prepared which show the balances according to the years to which they belong, and it will be noticed that some date back a considerable period. (Appendix B, p. 7)

163. The review of this balance in detail involves such lengthy notes that they have been collected as a separate appendix (Appendix F).

VI. LOANS.

A.—Encumbered Inamdars.

164. These are balances of loans granted under Orders of Government for the relief of the encumbered estates of these individuals.

Agrahar Nanjaraj Urs and Devaraja Urs, brothers Rs:
(a) Debit balance... 7,782
(b) Do ...52,217

(*a*) Does not carry interest.

(*b*) Carries interest at 5 per cent.

The estate which is mortgaged as security is expected to return Rs. 5,000 per annum. The Palace Controller was ordered (21st September 1893) to report how much could also be spared from the Palace stipend of Rs. 360 per mensem drawn by the brothers towards further assisting in the liquidation of the loan. No such report has been furnished to the Comptroller, and he has not up to date enquired from Government whether any such report was made.

164. The question was referred to Palace Controller by the Government, and the Comptroller could take no action in the matter. He could only register the information when received and receive any credits of stipend which the Palace Controller may intimate.

165. The estate is estimated to produce Rs. 5,000 per annum as above, but from November 1891 to date, over four years, during which some Rs. 20,000 should have been realised for credit of the loan, only Rs. 6,657 have been received and credited to interest, the loan itself not having been reduced at all.

165 to 167. The final orders having been passed only in September 1893, against two instalments of Rs. 10,000, the income of the villages up to year 1894-95 amounting to Rs. 6,657 has been credited to interest as per Government Order. A large amount due on account of toddy has not been brought to credit as Government have not yet passed final orders regarding the payment of Toddy Revenue due to inam villages which are under Government management.

166. At the end of 1894 a general statement of loans due in the Mysore District was sent to the District officer in which this loan was included, and all that was shown in the shape of over-due interest and *instalments* was the *interest* alone due to 30th June 1894.

167. No enquiry regarding instalments has been made, and the fact that the estate should produce Rs. 5,000 per annum, besides the possibility of recovering something from the brothers' stipend, appears to have been overlooked.

Deputy Auditor General's Remarks.

168. There is no record in the Comptroller's office of any report from the Treasury Officer that the mortgage deed on the property was duly deposited before the advance was made, and no enquiry in regard to this was considered necessary.

169. This loan was sanctioned in April 1894 and the first instalment of Rs. 3,264 was taken in May 1894.

Venkata Subbammanni, widow of Nanjaraj Aras—
Debit balance ... Rs. 16,000

170. The loan is secured by the borrower's share in a village and was to bear interest at 5 per cent and to be re-paid by instalments of Rs. 1,600 per annum to cover principal and interest.

171. Up to date only one recovery has been made, namely Rs. 724 in July 1895, and this, instead of being applied to overdue interest, has been credited to principal.

172. Some Rs. 3,000 odd should have been brought to credit up to June 1896.

173. No enquiries have been made in this case.

174. The original loan was granted in 1889 for Rs. 17,250 on the security of certain villages. It was to bear 5 per cent interest and the minimum annual payment in liquadation was fixed at Rs. 1,725. By June 1895 six annual instalments should have been paid aggregating Rs. 10,350. The actual recoveries to that date were Rs. 7,321 showing about Rs. 3,000 short recovered.

Regimentdar Lakshman Rao—
Debit Balance ... Rs. 12,870

Comptroller's Notes.

168. Under existing Orders these reports are sent to Government and not to Comptroller.

169 to 173. The full amount of the loan was finally paid by Government only in June 1894. The first annual instalment of Rs. 1,600 due in June 1895, which includes interest, was realized in the next month. Out of this sum Rs. 875-12-10 was credited to 'Interest' and the balance of Rs. 724-3-2 towards the loan. As the payment was made within a month of the due date, no overdue interest was collected.

In re the recovery of 2nd instalment payable in June 1896, the Deputy Commissioner has been written to, *vide* this office letter No. 6386, dated 29th May 1896. This village also is under Government management.

174. The instalments include interest. The amount short recovered was Rs. 1,525 as shown below and not Rs. 3,000 as remarked. The Deputy Commissioner has been written to, *vide* this office No. 7458, dated 25th June 1895.

	Rs.
1889-90	1,170
1890-91	1,780
1891-92	1,705
1892-93	1,315
1894-95	2,855
Total	8,825
Amount due for 6 instalments...	10,350
Mr. Biddulph's figure ...	7,321
Correct figure	8,825
Difference	1,503

I find Mr. Biddulph has omitted the following items :—

	Rs.	a.	p
Amount credited towards interest for 1893-94	714	12	9
Do do for 1894-95	714	12	9
Interest allowed on repayments for 1890-91	39	6	2
Do do for 1891-92 ...	34	8	9
Total ...	503	8	5

Deputy Auditor General's Remarks.

175. This is the balance of a loan on the security of a jahgir taken under Government management intended to provide for the repairs of a certain channel.

Sivasamudram Jahgirdar—
Debit Balance ... Rs. 14,732

176. The original loan was for Rs. 35,000 sanctioned in June 1889, to bear interest at 5 per cent and re-payable by annual instalments of Rs. 3,750, besides contributions from raiyats and kandayam due to jahgir.

177. The sum recoverable for six years without other contributions, &c., amounts to Rs. 22,500, while up to 30th June 1895 Rs. 19,116 only have been brought to account.

178. The Comptroller should have enquired what other sum might be expected from raiyats and kandayam, but this has been overlooked.

179. This loan was granted in 1893 to the Jahgirdar whose family had rendered important service to the State. It was ordered to be re-paid by instalments of Rs. 2,200 per annum; interest at 5 per cent, and on the security of the mortgaged property.

Musaheb Rama Rao—
Debit Balance ... Rs. 23,203

180. In this, as in other cases, there is no record in the Comptroller's office as to the proper execution of the mortgage deed.

181. The amount recoverable during two years was Rs. 4,400 whereas only Rs. 3,465 were recovered up to June 1895.

(*a*) This is a portion of a family loan of Rs. 30,000 sanctioned in 1893.

Tippaiya's Family—
Debit Balance ... 6,336 (*a*)
Do ... 2,751 (*b*)

182. This particular portion of the loan was drawn in September 1893; interest at 5 per cent, the receipts of each year being appropriated in re-payment. There is nothing to show what these receipts are, but Rs. 2,500 is the sum to be recovered on Rs. 30,000, and Rs. 500 would therefore be due on Rs. 6,000. Two years' instalments or Rs. 1,000 were due up to June 1895, but only Rs. 215 were recovered, and that in July 1895.

(*b*) This is another loan to the same family granted on the same terms as part of Rs. 30,000.

Comptroller's Notes.

175—178. Only 5 instalments were due up to 1894-95, and the arrear kandayam which amounted to Rs. 6,146 as intimated in Government Proceedings No. 6824-6—404, dated 1st September 1890. The amount recovered and credited up to 30th June 1895 was Rs. 29,010 as shown below and not Rs. 19,116 as remarked. Any contributions realized from raiyats were also to be credited towards the loan. But the question is still pending as the landholders dispute their liability to pay the same. So nothing has been overlooked in the matter.

	Rs.
1890-91	4,175
1891-92	3,641
1892-93	4,400
1893-94	4,430
1894-95	12,364
	29,010

180. *Vide* para 168 *supra*.

181. The total loan sanctioned was Rs. 25,000, whereas only Rs. 23,963 has been advanced. Including the balance of loan due to the Jahgirdar the amount to his credit is short of the 2nd instalment by Rs. 1,132. The Deputy Commissioner has been addressed on the subject.

182—183. The Deputy Commissioner has been written to to recover the balance. It must be explained that moneys are due to these inamdars from Government for sandal, toddy, &c., which take sometime in adjusting by the Deputy Commissioner, and that though no formal credit appears against the loans, sums are often paid into the Government Treasury under other heads to be adjusted on receipt of Government orders regarding apportionment of the revenue under these heads between Government and the inamdars. In calculating the amount credited Rs. 147 which has been credited towards interest has been

Deputy Auditor General's Remarks.

183. The amount recoverable would be Rs. 250 per annum, or Rs. 500 to end of June 1895, but Rs. 342 only have been brought to credit.

184. A loan of Rs. 20,000 on security of land mortgaged to Government and to be managed through the Amildar; interest at 5 per cent and instalments fixed at Rs. 1,666-10-8 per annum.

Mr. Gopalaiengar, Asst., Amrut Mahal office—
Debit Balance ... Rs. 19,262

185. The loan was drawn in full in October 1894, and in June 1895 Rs. 1,440 were brought to credit.

186. In August 1894 a loan of Rs. 50,000 was granted, and subsequently the orders were revised and a loan of Rs. 65,000 granted, carrying 5 per cent interest, and re-payable by instalments of not less than Rs. 4,500.

Ramanna and four other members of the Nandigudi family—
Debit Balance ... Rs. 64,342

187. The security given consists of villages which have been independently valued as sufficient to cover the loan.

188. No re-payments have been made to end of May 1896, nor was interest for the period, September 1894 to June 1895 worked out in the ledger at close of 1894-95.

189. This loan was granted in December 1894—the original amount being Rs. 7,000 at 5 per cent re-payable by instalments of Rs. 700 per annum. In case of default, the property mortgaged to be taken under the direct management of Government. Rs. 200-5-4 were re-paid in June 1895.

Siddaraj Aras on behalf of his minor son Nanjaraj Aras—
Debit Balance Rs. ... 6,800

190. The state of the loan as regards interest was not worked out at close of 1894-95.

191. A loan of Rs. 19,000 granted in April 1895, interest at 5 per cent, and instalments fixed at Rs. 1,500 per annum. The value of the land mortgaged as security is said to be ample to cover the loan.

Siddaraj Aras and Krishnajammanni—
Debit Balance ... Rs. 18,897

192. In case of default, Government will assume the management of the property.

Comptroller's Notes.

omitted and the fact that in all these cases the instalments include interest has been overlooked.

186 & 188. The interest was duly calculated and a memo sent to Deputy Commissioner *vide* this office No. 7469, date 25th June 1895. The calculation was not posted in the Loan Register, pending the acceptance of the Deputy Commissioner of the calculation, as the loan was paid in various sums on different dates.

About the non-recovery of instalments, the Deputy Commissioner, Bangalore, has been written to. *vide* this office Nos. 7469 and 6345, dated 25th June 1895 and 1st June 1896.

189 & 190. The loan of Rs. 7,000 was paid in January 1895 and Rs. 350 were repaid in June 1895 which is the amount of instalment due for the half year. Rs. 200-5-4 was credited towards principal and the balance towards interest. There were therefore no arrears due.

The loan granted, the amount recovered, and the balance due up to 30th June 1895 were all worked out and posted in the ledger. These transactions also appeared in the Broad sheet for 1894-95 which was prepared on 10th September 1895, *i. e.*, 8 months previous to the inspection of Mr. Biddulph.

Deputy Auditor General's Remarks. Comptroller's Notes.

B. Encouragement of Local Industry.

193. This is the balance of a loan granted to the original company which eventually collapsed.

194. The loan was for Rs. 2,50,000 at 6 per cent. An agreement was entered into containing various stipulations intended to safeguard Government, such as the maximum dividends to be declared, insurance to be effected, &c. &c.

Mysore Maharaja's Spinning and Manufacturing Company—
Debit Balance ...Rs. 2,05,000

195. The first payment having been made in March 1888, all interest due to 31st October 1888 was to be paid.

196. Instalments were to be paid up as follows :—

				Rs.
31st December	1889	...	...	20,000
Do	1890	...	..	30,000
Do	1891	...	..	40,000
Do	1892	...	...	50,000
Do	1893	...	...	60,000
				2,00,000

197. Nothing is said about the remaining Rs. 50,000, but it is presumed that payment would be expected on 31st December 1894.

198. It was further laid down that any default would involve the immediate recovery of the entire outstanding balance of the loan with interest to date. On the 3rd September a sum was drawn which brought up the aggregate of the advance to Rs. 2,50,000.

199. Interest has been calculated and credited up to 31st December 1895, and I have had each credit traced into the cash account and each calculation checked; but the only repayments of the loan which have been brought to account are as noted in the margin, whereas the entire loan should have been liquidated by the end of December 1894.

May 91 ...	20,000
January 92 ...	14,100
December 94...	10,900
Total ...	45,000

200. This transaction is explained under "Investments in Joint Stock Companies" (Appendix C).

Shares in Mysore Maharaja's Spinning and Manufacturing Co., Ld.—
Debit Balance ... Rs. 37,500

201. This is the value of 50 Debenture bonds of Rs. 1,000 each bearing interest at 6 per cent. The bonds are lodged in the Huzur Treasury.

Bangalore Woollen and Cotton Mills, Co., Ld. (Debenture)—
Debit Balance ... Rs. 50,000

196 to 199. The Deputy Auditor General has apparently not referred to the agreement subsequently entered into in March 1894 according to which the principal and interest then outstanding were to be liquidated by annual payments of Rs. 21,500, *vide* Government Proceedings No. 15470-1—G.F. 305-92, dated 15th March 1894. Since then the instalments have been regularly paid in as shown below.

		Rs.
1894-95	..	21,500
1895-96	..	21,500

Deputy Auditor General's Remarks.

Comptroller's Notes.

202. The entire amount of the Debenture loan issued is Rs. 4,00,000.

203. In February 1896 the rate was reduced to $5\frac{1}{2}$ per cent.

204. The plant is valued at over 6 lakhs and was to be mortgaged to trustees for the Debenture holders.

205. Interest has been regularly realized to date.

The debentures are quoted at par.

Bangalore Woollen and Cotton Mills Co., Ld. (Shares)—
Debit balance ... Rs. 15,100

206. The original investment consisted of 100 shares of Rs. 100 each or Rs. 10,000. Later on 45 shares were purchased, and on the declaration of a dividend of Rs. 633, six more were purchased out of the dividend making in all 151 shares.

207. The concern was started in 1884, and the shares have barely paid 3 per cent up to 1893-94. During 1894-95 no dividend was declared and there has been none since.

208. The shares are quoted at from Rs. 50 to 70.

For new Weavers' Village, Mysore City, Sahukar Chikviranna—
Debit balance ... Rs. 53,640

209. The Sahukar was to build 200 houses and settle an equal number of families of weavers by the end of December 1893, and a loan of Rs. 50,000 on the mortgage of the village was sanctioned in March 1892, which was subsequently raised to Rs. 67,500 in April 1893. The Sahukar being unable to fulfil his engagements, a re-arrangement of terms was made and the entire advance limited to Rs. 60,000 on the following terms—

(1) Mortgage deed to have effect from 1st July 1895.

(2) Loan to carry no interest till 30th June 1898, but re-payments were to be made of Rs. 4,000 on 30th June 1896, 1897, 1898.

(3) From 1st July 1898 the balance of principal to carry interest at 4 per cent and to be re-payable in thirteen annual payments of Rs. 4,800 on 30th June of each year.

210. On the 19th June 1895 there were 168 houses available for mortgage to Government, and the Executive Engineer was ordered to value them, and the Deputy Commissioner was directed to conclude the mortgage on the terms mentioned, by the end of June 1895.

Deputy Auditor General's Remarks.

211. Until the final deed was executed advances were ordered to be made to the extent of 75 per cent of the work actually done as certified by the Executive Engineer from time to time.

212. There is nothing on record to show that any evidence was furnished to the Comptroller that a value of work had been done proportionate to the advance applied for and authorised by him.

213. Nor is there any record that the mortgage bond has been lodged anywhere.

Comptroller's Notes.

212 and 213. On the report of the Deputy Commissioner about the valuation of the houses by the Executive Engineer, the Government approved in Proceedings No. 11036-7—R. F. 81-95 of 19th June 1896 of the original loan being raised to Rs.60,000, and in the same order the Deputy Commissioner was asked to take necessary documents and to sendcopies thereof to Government. Therewas thus no necessity for any action on the part of this office.

214. This is a loan made to the inventor of certain coffee feeding machinery.

Syed Amir Ali, for Husseni coffee peeler—
Debit balance ... Rs. 5,275

215. The amount was advanced to enable him to pay for the construction of 54 machines as an encouragement to local enterprise, and he was to sell them at his own price and repay Government.

216. The amount was drawn in April 1895.

217. There is a difference of opinion between the maker and the inventor; the latter states the work is bad, the former urges the design is faulty. Meantime no sales have been effected and consequently no recoveries made.

218. The machines are in the custody of the Executive Engineer, Bangalore.

Mr. L. Hund for Soap Manufactory.
Debit Balance Rs. 5,000.

219. A loan of Rs. 10,000 was sanctioned, and of this Rs. 5,000 were drawn in April 1894. Interest was to be charged at 5 per cent and the loan repaid in two years.

219 and 220. Demands for principal and interest were made, but the date for re-payment was extended by a year, *vide* Government Proceedings No. 2073-74—R. F. 80-95 of 21st August 1896.

220. No calculation or demand for interest has been made though two years have elapsed, and the full amount remains outstanding.

221. This is a loan to encourage a local industry.

Ahmad Ali and Muhammad Mukdum, for erecting an ornamental art-ware manufactory—
Debit balance ... Rs. 9,767

222. It is repayable in ten years from 1st July 1895, interest at 4½ per cent, the building and sites to be hypothecated to Government. If the buildings should cease to be used as a depôt for art-ware the Government is to have a lien on the sites which were granted free of cost.

Deputy Auditor General's Remarks.

Comptroller's Notes.

223. The loan was drawn in instalments as the buildings progressed from November 1893 to June 1894.

224. A loan of a similar nature to the preceding. The amount sanctioned was Rs. 7,000 at 4½ per cent repayable in ten years from 1st July 1895.

Davud Sab, for building an ornamental workshop for brass and bell-metal vessels, Debit balance ... Rs. 4,500

C. House building advances.

225. There were outstanding the number of loans noted against each District as noted in the margin.

	No.	Rs.	as.	p.
Bangalore	44	19,262	0	0
Tumkur	12	1,478	12	0
Mysore	21	9,795	0	0
Kadur	1	157	8	0
Chitaldrug	1	750	0	0
		31,444	0	0

226. There being no broad-sheets the check over the recoveries recorded in the loan ledger is a very tedious business.

226. Prior to 1894-95 these advances were included under ordinary advances and entered in Objection Books. At the close of that year these were transferred to the head of account 'House Building Advances', separate accounts being kept for these transactions as required by the Code. The entries as shown in the Huzur and District objection and adjustment books have been posted in the new ledger, and the balance verified with that shown in the general book, each entry in the loan register has also been verified with those in the objection and adjustment books. There was thus no necessity for a broad-sheet for that year.

227. The entries in the ledger bear no initials or any signs of review or check by any one.

227. The explanation given on such remissness elsewhere applies here also.

228. The rate of pay of the individual taking the advance is not noted in order to afford means of satisfying the audit office that the amount drawn does not exceed six months' pay.

228. Amount of these advances is calculated in this office with reference to the officer's salary and payment is authorized in each case by means of a regular letter. So there is no further check necessary.

229. There is nothing on record to show that the mortgage bonds have been deposited anywhere.

229. It has been already explained that agreeably to Government orders Deputy Commissioners are responsible for the deeds and they are called upon to report to Government and not to this office.

230. I have compared the list of outstandings in detail with the loan ledger and have seen the sanctions in each case, in only two cases were there any arrears and those of no importance.

Deputy Auditor General's Remarks.

Comptroller's Notes.

231. The balance shown above agrees with that shown in the ledger.

D. Land Improvement Loans.

232. These loans are made under a Regulation of the Mysore Government, No. IVof 1890.

Total debit balance Rs. 3,02,882

233. No loan shall run for more than thirty-five years; all loans with interest are recoverable in certain specified methods as if they were arrears of land revenue, or from sureties, &c.

234. The terms of this loan as modified are as follow— Rs. 2,000 were originally granted. Interest was paid from August 1888 to August 1890 at 5 per cent; it was remitted for three years and the loan was to run for twelve years at 5 per cent; the annual instalments being fixed at Rs. 225-10-3, from 1st September 1894.

Myasamudra Ramaiengar—
Debit balance ... Rs. 1,874

235. The property was ordered to be mortgaged.

236. There are no arrears at present.

237. The loan was for Rs. 1,000, of which only Rs. 500 were drawn. It was repayable by ten annual instalments at 6¼ per cent interest running from December 1890.

Jodidar Krishna Sastri—
Debit Balance ... Rs. 236.

238. The loan is considerably in arrears, nothing having been credited either to principal or interest since November 1893.

239. The instalments for the Rs. 1,000 loan were fixed at Rs. 100 each. It is open to question whether if only Rs. 500 were drawn it was intended to reduce the instalments to Rs. 50.

240. This balance has been running since December 1893, the loan having been originally Rs. 100 granted in 1890. No action seems to have been taken.

Venkatramaiya—
Debit balance ... Rs. 17

241. This is the balance of a loan for Rs. 400 granted in May 1891. Repayment is regularly made by half-yearly instalments of

Nanjundappa, Maddagiri
Debit Balance R. 240.

237 to 239. The instalments payable up to 1894-95 amounted to Rs. 200 at Rs. 50 per annum from 1891-92 to 1894-95, against which Rs. 363-14-4 have been paid and credited as shown below —

		Rs.	a.	p.
May 1893	...	50	0	0
August 1893	...	50	0	0
September 1893	...	50	0	0
November 1893	...	213	14	4
		363	14	4

241. Where no interest has been ordered to be charged, this office cannot charge any; the presumption being remission of interest, as in all cases where interest is to be charged the orders give distinct direction on the

Deputy Auditor General's Remarks.

Rs. 20, but no interest has been charged or paid though the order does not remit this charge.

242. The loan of Rs. 200 was granted in March 1892 without interest. Instalments fixed at Rs. 50 per annum.

Nanjundaiya, Nanjangud—
Debit balance .. Rs. 100

There are no arrears.

243. "Saguvali kattes" are dams for arresting surface water and are land improvements.

Saguvali kattes incomplete—
Debit balance ... Rs. 18,775
Completed—
Debit balance .. Rs. 19,945
(As per ledger.)

244. Loans for the construction of these are made on the following conditions—

Loans not to exceed Rs. 300 each for new works or Rs. 50 for repairs; interest chargeable at 4 per cent; usually interest is only chargeable from date of payment of last instalment; and the principal is repayable by small instalments spread over several years.

When the loan has been fully drawn and the works are completed, the item is transferred to the head "completed" and is brought on a regular loan ledger.

245. These advances are similar to the preceding ones, and the method of dealing with them is the same.

Irrigation wells incomplete—
Debit balance Rs. 1,77,859
Completed—
Debit balance Rs. 80,786

246. This is the balance of two loans outstanding. The first is for Rs. 10,000 payable in three instalments of Rs. 3,000 and one of Rs. 1,000. The security in land is said to be ample; interest was to be charged at 5 per cent on instalments up to date of the last instalments. But no calculation or recovery of interest has been made since the first instalment was drawn in December 1894.

Loans for improvement of lands for plantation—
Debit balance ... Rs. 3,150

247. The second loan is for Rs. 150 drawn in April 1895 at 4 per cent and repayable in four instalments of Rs. 43-4-7 per annum. Interest and instalment to begin in April 1898.

248. Broad-sheets of these advances and loans are prepared quarterly and furnished to Deputy Commissioner and Government, but no acknowledgments of the correctness of the balances thus communicated are furnished by the Deputy Commissioners.

Comptroller's Notes.

subject.

248. It was not usual to receive or expect formal acknowledgments of correctness. The Deputy Commissioners compare these statements with their accounts and write back if they have any objections and their omission to do so is taken as their acceptance. It is better to have such formal acceptance and it will be arranged for in future.

Deputy Auditor General's Remarks. Comptroller's Notes.

260. Similar to preceding item.

Ditto—Yedatore—
Debit balance ...Rs 2,387

261. Expended in 1895. Recoverable with interest at 4 per cent.

Watter-supply of Hunsur Town—
Debit balance ...Rs 3,144

262. Work executed in June 1895. Recoverable as above.

Filling-up pits, &c., Tumkur—
Debit balance ..Rs 2,850.

G. Other Loans.

263. This is the balance of a loan granted to the institution prior to the Rendition, and of a subsequent loan of Rs. 4,000 made by the Mysore State in 1893.

Bishop Cotton School and College—
Debit Balance ...Rs 8,662
.. Rs 4,000

264. The school buildings have been mortgaged as security.

265. The instalments are fixed at Rs. 120 on the first loan which is to be liquidated before repayment of the Rs. 4,000 begins; the instalments are regularly paid.

266. Interest is paid on the second loan at Rs. 13-5-4 per mensem.

H. Loans to Agricultural Banks.

267. See Appendix C where full notes on this subject are given.

Debit balance ...Rs 23,500

VII. MYSORE ART-WARE ACCOUNT.

268. This is an account of the receipts and charges incurred by the Art-ware Depôt at Mysore in procuring and disposing of certain articles made of ebony, sandalwood, &c. The officer in charge is placed in funds by means of letters of credit which are charged to Art-ware Remittances, which should be checked by Remittance Check Register. Advances are made to manufacturers for the supply of certain articles on receipt of which the advances are adjusted.

Debit balance at beginning of 1894-95	...Rs 2,876	
Dibits	...Rs 6,184	
		9,060
Credits	...	4,144
Debit balance at end of 1894-95	...Rs 4,916	

269. There are articles to the value of Rs. 6,522 in stock.

270. Establishment and contingent charges are paid by the officer in charge of the depôt and are debited to Art-ware Account.

271. Sale proceeds are credited to Art-ware Accounts and remitted to the Treasury by debit to Remittances

Deputy Auditor General's Remarks.

Comptroller's Notes.

272. The following schedules accompany the accounts—

(1) Stock account.
(2) Statement showing articles purchased.
(3) Statement of articles sold.
(4) Abstract of outstandings on account of credit sales.
(5) Schedule of advances and adjustments on account of manufacture.

273. The accounts are submitted by the officer in charge of department to Government who first review and accept them and then forward them to the Comptroller.

274. The only remarks that suggest themselves are that the balance in hand should be treated as that of a Departmental Account, Article 105 C. A. Code, instead of being adjusted under Suspense, and that the accounts should be incorporated with the accounts of the Province monthly instead of annually.

274. The suggestion will receive due attention.

VIII. SUSPENSE ACCOUNT.

Public Works Department—
Credit balance Rs. 1,58,108 (*a*)
Railway—
Debit balance Rs. 2,84,453 (*b*)

275. These represent the balance (all but a sum of (*a*) Rs. 16,483-8-0 and (*b*) Rs. 3,952-10-0 to be explained further on) of incorrect adjustments running for many years. The discrepancies between the P. W. Ordinary Railway and the civil books have been specially investigated, and adjustments are about to be made which will reduce the balance (*a*) to Rs. 16,483-8-0 which represents items correctly adjusted to this account.

276. This will not exactly agree with the Public Works Department balance, which is Rs. 16,472-6-10, leaving a difference of Rs. 11-1-2 still to be explained.

277. While the balance (*b*) will disappear, all but a sum of Rs. 3,952-10-0 in regard to which references have been made to the Auditor, S. M. Railway Company.

278. A note which explains the nature of the adjustments which have from time to time led to these discrepancies and the adjustment which must now be made accompanies.

Sanitary Department—
Credit balance ...Rs 417 (*c*)

279 This balance agrees with that shown in the departmental accounts.

275 to 279. The differences were very old dating from 1876-77. The whole thing had been analyzed very carefully in recent years and a memo of adjustments prepared by this office which Mr. Biddulph has accepted and bodily transcribed at foot of his para 279 *infra* and which is the "note" referred to in para 278 *supra*.

Memo on the Railway Suspense Account.

(1) Transfers between Railway and Public Works Departments, and transfers between Railway Capital and Railway Revenue Accounts were shown in the Provincial Accounts

Deputy Auditor General's Remarks.

Comptroller's Notes.

up to 1884-85 as a separate item of receipt or payment according to the nature of the case under respective departments, instead of being brought under one general head "Transfers between Railway and Public Works Departments," leaving no balance in the books of this office on account of Departmental Transfers.

(2) The debit or credit balances under the head "Transfers" in different accounts were shown in distinct entries in the ledger and journal of this office up to 1882-83, and in 1883-84 these balances were transferred to the head "Railway Suspense," the receipts and payments on account of transfers during 1883-84 and 1884-85 being shown under the same head "Railway Suspense." Thus the net amount of debit balance included under this head up to 1884-85 was Rs. 1,34,956-7-10 as explained below :—

Balances up to 1882-83 as per Journal of 1882-83.		Credits. 1883-84 & 1884-85.			Debits. 1883-84 & 1884-85		
Credit balances under certain lines.	Debit balances under certain lines.	Rs.	a.	p.	Rs.	a.	p.
Rs. 2,09,526-11-9	Rs. 3,41,381-8-4	8,67,106	13	2	8,70,208	8	5
		Net debit balance...			1,34,956	7	10

(3) Expenditure on "Surveys" shown in the Bangalore Tumkur line Capital Account for 1882-83 was shown as a distinct entry "Railway Surveys" in the books of this office under "Public Debt," as this amount was shown in the Departmental account under Suspense not affecting the budget. In 1883-84 this balance was transferred to the head "Railway Suspense." Similarly, the expenditure incurred on account of Surveys in 1883-84 and 1884-85 was also debited to the head "Railway Suspense." Thus the total amount debited to Railway Suspense instead of to Railway Capital Account, as it ought to be from the commencement, was Rs. 1,55,293-2-11. This amount was recovered from the S. M. Railway Company when the Railway was sold, but it was correctly credited to service head "Railway" instead of to "Railway Suspense" when the debit was erroneously raised, leaving this wrong debit unadjusted.

(4) The balances under "Railway Deposits," "Provident Fund," "Fines," &c., up to 1882-83 were shown in distinct entries under "Public Debt Account," but in 1883-84 they were transferred to the head "Railway Suspense" as in the two cases mentioned above. The credits and debits under those items from 1st April 1883 to 30th June 1886 were also shown under

Deputy Auditor General's Remarks.

Comptroller's Notes.

"Railway Suspense." The net credit balance on the above accounts included under "Railway Suspense" exclusive of the balance on account of Hindupur Railway, was Rs. 20,141-1-0 as shown below:—

Credit balance under Railway deposits, etc., up to 1882-83. Rs. 7,704-2-8	Debit balance under Railway fines up to 1882-83. Rs. 13-2-1	Credits 1883-84 to 1886-87. Rs. 3,58,454-14-9	Debits 1883-84 to 1886-87. Rs. 3,46,004-14-4
			Net credit balance... Rs. 20,141-1-0

(5) If the figures shown in paras (2) (3) and (4) be worked up, there appears a net debit balance of Rs. 2,70,108-9-9 under "Railway Suspense" (Hindupur line being excluded) which corresponds with the amounts shown in the books of this office from 1886-87 to 1893-94;—

	Debit balance. Rs. a. p.
Transfers between Railway and P. W. Departments referred to in para 2	1,34,956 7 10
Expenditure on surveys ditto para 3	1,55,293 2 11
Total debit balance...	2,90,249 10 9
Deduct Railway deposits, etc., see para 4, Credit balance ...	20,141 1 0
Net debit balance...	2,70,108 9 9

(6) In 1887-88 and 1889-90 Rs. 36,485-10-5 were claimed by the S. M. Railway Company on bills received, as the net amount due by the Mysore State Railway on account of its transactions prior to 30th June 1886. This amount was paid and charged in full to "24 State Railways" for want of proper detail accounts. This was re-adjusted in 1894-95 on calling for and obtaining a detailed account from the Railway Department, when a sum of Rs. 16,188-7-0 only was debited to Railway Suspense on account of Railway Deposits, Fines, Provident Fund, &c., instead of Rs. 20,141-1-0 referred to in para 4

(7) This debit has raised the net balance under Railway Suspense from Rupees 2,70,108-9-9 on 1st July 1894 to Rupees 2,86,297-0-9 on 30th June 1895, but the correct amount should be Rs. 2,90,249-10-9 as explained in para 6. A reference has been made to the Auditor, Southern Mahratta Railway, about the difference of Rs. 3,952-10-0 as he has all the old accounts.

The total debit balance after the adjustment of the difference of Rupees 3,952-10-0

Deputy Auditor General's Remarks.

Comptroller's Notes.

will be Rs. 2,90,249-10-9 which has to be adjusted as follows :—

(1)	Transfers between Railway and Public Works— Debit balance	1,34,956	7	10
	Debit to "Transfers between Railway and Public Works" and credit to "Railway Suspense."	Rs.	a.	p.
(2)	Expenditure on surveys	1,55,293	2	11
	Credit to "Railway Suspense" and debit to "Railway Capital Account..."			
		2,90,249	10	9

Memo on the Public Works Suspense Account.

(1) As explained in the Memorandum on the Railway Suspense Account, the amounts credited or debited in the Public Works Accounts on account of transfers between Public Works and Railway Departments were shown in the books of this office as separate items of receipt and expenditure up to 1882-83, when they were transferred to the head "Public Works Suspense Account." The credits and debits in 1883-84 and 1884-85 on account of transfers were also included under "Public Works Suspense" instead of being shown under one general head "Transfers between Public Works and Railway Departments." The net amount thus credited under this head, *i. e.*, P. W. Suspense, was Rs. 1,34,940-7-10 as explained on p. 29.

	Credit balance. Rs. a. p.	Debit balance. Rs. a. p.
Amount shown in the ledger up to 1882-83 as credit and debit balances under the head of Transfers and transferred to "Public Works Suspense"	1,32,401 13 1	6,182 11 7
Debits and Credits under "Transfers" as shown in the Public Works Accounts for 1883-84 and 1884-85 and wrongly included under "Public Works Suspense" ...	25,449 3 4	16,727 13 0
	1,57,851 0 5	22,910 8 7
Net credit amount of transfers included under Public Works Suspense		1,34,940 7 10

(2) A sum of Rs. 6,685-9-7 was written back from the credits given under "Public Works Takavi Advances," which formed one of the items of "Public Works Suspense Account" as per supplemental account of the Public Works Department for 1876-77, but this correction was not made in the accounts of this office.

(3) The total amount wrongly credited under "Public Works Suspense" as per explanation given in paras (1) and (2) were Rs. 1,41,626-1-5. Deducting this amount from the sum of Rs. 1,58,109-9-5 shown in the ledger of 1894-95, there remains a

Deputy Auditor General's Remarks. Comptroller's Notes.

balance of Rs. 16,483-8-0 which tallies with the figure* shown in the Examiner's report with a slight difference of Rs. 11-1-2.

	Rs.	a.	p.
* Deposits ..	9,868	10	9
Do Contributions..	6,603	12	1
	16,472	6	10

IX. ROYALTY ACCOUNT WITH MESSRS. COUTTS & CO.

280. This agrees with the original accounts furnished by Messrs. Coutts & Co. after allowing for items not brought on the respective accounts up to date, with the exception of £4.

Debit balance ... Rs. 12,406

X. ACCOUNT CURRENT WITH THE PRESIDENCY BANKS.

281. This agrees with the Bank's original accounts.

(*a*) Banks of Bengal and Bombay—
Debit balance ... Rs. 2,460
(*b*) Madras Bank, Madras—
Debit balance ... Rs. 593
(*c*) Madras bank, Ooty—
Debit balance ... Rs. 27

XI. REMITTANCES.

282. This is the ledger balance. The net credit balance according to the P. W. D. statements is Rs. 2,55,305, of which Rs. 8,258 were adjusted in the following year and the difference of Rs. 2,367 still remains.

Departmental—
(*a*) Public Works Department—
Credit balance Rs. 2,44,680

283. The balance as per the Comptroller's progress register and the general books is Rs. 609.

284. These differences require investigation.

284. Are under investigation.

285. The form and method of posting the progress register is not that laid down in the Code, but they answer the purpose of this small administration, and I would not suggest any alteration.

The balance as per progress register is—

		Rs.	a.	p.	
	Credit ...	1,30,353	8	8	
	Less	8,257	12	1	adjusted
(*b*) Sanitary Department—	In 1895-96 ...	1,22,095	12	7	
Credit balance Rs. 1,32,416	Balance as per ledger ..	1,32,415	14	1	
	Less adjustment in 1895-96 ...	10,320	1	6	
	Balance ...	1,22,095	12	7	

Deputy Auditor General's Remarks.

Comptroller's Notes.

	Rs.	a.	p.
Balance as per Examiner's statement Net credit ...	1,22,608	0	9
Difference between Examiner's and Comptroller's figures ...	512	4	2
	1,22,095	12	7

This difference requires investigation.

(*c*) Railway—
Debit balance Rs. 25,380

286. Transactions connected with the Bangalore-Hariar line were closed in 1886. A difference in balance of Rs. 2,279 has existed from that time. This, and the difference of Rs. 203 noted in the margin, have still to be analysed; as regards the former, reference has been made to the Auditor, S. M. Railway.

		Rs.
Balance as per ledger		25,380
Difference since 1886 ...	2,279	
Adjustment in 1895-96 ...	4,206	
		6,485
Balance		18,895
Balance as per progress statement ...		18,895
Balance as per Examiner's statement ...		18,692
Difference ...		203

(*d*) Revenue Survey.—
Credit balance ...Rs. 1,122

287. This balance cannot be explained and requires analysing.

287. This is an old difference, which has been under investigation.

(*e*) Palace Muzrai—
Credit balance Rs. 7,823

288. These are funds remitted by the Palace to the Treasury and which ought to have been credited to the Muzrai Surplus Fund.

289. An adjustment of Rs. 7,500 was effected during the succeeding year and a balance of Rs. 323 cannot be explained and must be analysed.

289. The difference of Rs. 323 has been under investigation.

		Rs.
	Balance of ledger ...	27,729
	Adjusted by transfer during 1895-96 ...	4,322
		23,407
(*f*) Forest Remittances— Rs. Credit balance 27,729	Amount of uncashed cheques on 30th June 1895 ...	20,870
	Difference to be investigated... ...	2,537

(*g*) Remittances between District and Taluk Treasuries, charged in one month, credited in another—
Credit balance Rs. 62,487

290. The utility of the practice of receiving and checking a large amount of details regarding remittances within the district was

290 to 295. It is not now possible to explain why Mr. Hudson did not take action on the Comptroller General's instruction on the report of Sir J. Westland, or submit his reasons to Comptroller General as he did in the case of Mr. Taylor's report for the retention of those heads.

Deputy Auditor General's Remarks.

questioned by Mr. Westland so far back as 1878 and considered unnecessary. It still obtains and might with advantage be discontinued.

291. The net credit balance according to district details is Rs. 13,348-6-10, the actual ledger balance is Rs. 62,484-6-1, and the difference is Rs. 49,135-15-3, which has been running from the formation of the office in 1862.

292. There are no unadjusted differences other than the one which has existed from the very commencement, and it is quite hopeless to expect that this will ever be explained—it dates from the time when all the accounts were kept in Kanarese.

293. There are no outstanding balances under these heads; but there is no necessity for their existence at all; and Mr. Westland drew attention to this fact so far back as 1878.

(h) (1) Local Remittances between District and Taluk Treasuries and (2) amount of cheques issued by District Treasuries or Taluk Treasuries—No balances.

294. The method of dealing with such transactions is explained in Articles 321, 322 and 363, C. A. Code.

		Rs.	a.	p.
Actual ledger balance	...	11,517	2	9
By district statements	...	11,516	14	0
Difference to be explained	...	0	4	9

295. In his report of 1878 already quoted, Mr. Westland suggested that if for any reasons these cannot be taken to their proper heads of account, they should be treated in the same way as sums passing by cash orders between District Treasuries and Taluks, namely by deposit personal ledger accounts. This suggestion has not been acted upon but might with advantage be introduced.

(i) Amount received and paid by one Taluk Treasury on account of another. Credit balance. Rs. 11,518.

296. These balances cannot be explained

(j) Remittances from Huzur to Districts—
Debit balance ... Rs. 726

(k) Remittances from Districts to Huzur—
Debit balance Rs. 1,247

297. The system prescribed in the C. A. Code for remittance audit has hitherto not been adopted, but a

(l) Remittances between District Treasuries—
Credit balance ... Rs. 131

Comptroller's Notes.

The existing system has worked for over 30 years satisfactorily and without any difference or errors as shown below :—

Book balance 1873	(Credit)	...	25,888
Balance as per Register	(Debit)	...	23,247
	Difference	...	49,135
Book balance 1894-95	...	...	62,484
Balance as per Register	...	...	13,349
Difference exactly as it was in 1873		...	49,135

All our Treasury establishments are well acquainted with the procedure, and the checks that are maintained in this office have proved very effectual. A change may not be desirable simply because the present system involves more check in this office than is necessary under the procedure suggested, which leaves the whole responsibility of these transactions to the District Treasury officers. The suggestion will however be duly considered in consultation with District officers and requisite orders of Government obtained.

Deputy Auditor General's Remarks.

questioned by Mr. Westland so far back as 1878 and considered unnecessary. It still obtains and might with advantage be discontinued.

291. The net credit balance according to district details is Rs. 13,348-6-10, the actual ledger balance is Rs. 62,484-6-1, and the difference is Rs. 49,135-15-3, which has been running from the formation of the office in 1862.

292. There are no unadjusted differences other than the one which has existed from the very commencement, and it is quite hopeless to expect that this will ever be explained—it dates from the time when all the accounts were kept in Kanarese.

293. There are no outstanding balances under these heads; but there is no necessity for their existence at all; and Mr. Westland drew attention to this fact so far back as 1878.

(h) (1) Local Remittances between District and Taluk Treasuries and (2) amount of cheques issued by District Treasuries or Taluk Treasuries—No balances.

294. The method of dealing with such transactions is explained in Articles 321, 322 and 363, C. A. Code.

		Rs.	a.	p.
Actual ledger balance	...	11,517	2	9
By district statements	...	11,516	14	0
Difference to be explained	...	0	4	9

295. In his report of 1878 already quoted, Mr. Westland suggested that if for any reasons these cannot be taken to their proper heads of account, they should be treated in the same way as sums passing by cash orders between District Treasuries and Taluks, namely by deposit personal ledger accounts. This suggestion has not been acted upon but might with advantage be introduced.

(i) Amount received and paid by one Taluk Treasury on account of another. Credit balance, Rs. 11,516.

296. These balances cannot be explained

(j) Remittances from Huzur to Districts—
Debit balance ... Rs. 726

(k) Remittances from Districts to Huzur—
Debit balance Rs. 1,247

297. The system prescribed in the C. A. Code for remittance audit has hitherto not been adopted, but a

(l) Remittances between District Treasuries—
Credit balance ... Rs. 131

Comptroller's Notes.

The existing system has worked for over 30 years satisfactorily and without any difference or errors as shown below :—

Book balance 1873	(Credit)	...	25,888
Balance as per Register	(Debit)	...	23,247
	Difference	...	49,135
Book balance 1894-95	...	...	62,484
Balance as per Register	...	...	13,349
Difference exactly as it was in 1873		...	49,135

All our Treasury establishments are well acquainted with the procedure, and the checks that are maintained in this office have proved very effectual. A change may not be desirable simply because the present system involves more check in this office than is necessary under the procedure suggested, which leaves the whole responsibility of these transactions to the District Treasury officers. The suggestion will however be duly considered in consultation with District officers and requisite orders of Government obtained.

Deputy Auditor General's Remarks.

Comptroller's Notes.

check register in the prescribed form has been introduced from 1895-96. The entries for December only have been posted by the middle of June and the register had evidently been fair copied.

298. The balance represents a sum wrongly credited to another head.

(*m*) Art-ware remittance—
Debit balance ... Rs. 11

299. The officer in charge of this department formerly held a permanent advance, but recently the plan of issuing letters of credit in his favor has been adopted.

300. Owing to an error in posting the detail books, a wrong debit of Rs. 2,977-10-0 was made to this head which was adjusted during 1895-96 producing a balance of Rs. 21,864-3-1.

	Rs.	
(*n*) Supply bills—		
Credit balance ...	1,500	
Public Remittance Transfer Receipt—		
Credit balance	17,386	
Total ..	18,886	9 1
Adjustment in 1895-96	2,977	10 0
	21,864	3 1

301. The annual statement prepared from the Issue and Paid lists produces a balance differing by Rs. 16-13-2 from that shown on the margin.

302. This is an old balance of very long standing.

Money Orders—
Debit balance ... Rs. 124

XII. ACCOUNT WITH H. M.'S GOVERNMENT.

303. Each treasury sends a bi-monthly account of transactions affecting this head to the Huzur Treasury where an immediate adjustment is effected with the Resident's Treasury.

Credit Balance...Rs. 93,990

304. The figures represent the balance of the second account for June 1895 (the end of the year) adjusted in July 1895; all but an outstanding balance which has not been explained, and which is part of differences running from 1875-76 :—

		Rs.
Credit in District Accounts 15th to 30th June.		1,28,639
Debits	ditto	44,225
	Net Credit ...	84,414
	Balance as above ...	93,990
	Still to be explained.	9,576

305. The transactions consist chiefly of postal receipts and payments, and payments to pensioners.

304. This is also one of the old differences which are under investigation and will soon be adjusted.

Deputy Auditor General's Remarks. Comptroller's Notes.

XIII. MYSORE RAILWAY 5 PER CENT DEBENTURE LOAN OF 1882.

306. This loan runs till 1902. The arrangements for forming a Sinking Fund for its liquidation are detailed in Appendix C.

	Rs.
Credit balance ...	20,00,000

307. It is suggested that as Government has bought up 5½ lakhs of the loan, the outstanding balance might be correspondingly reduced.

MYSORE SURPLUS INVESTMENT ACCOUNT.

308. This is the balance of investments made from time to time from surplus revenues of the State—the accumulations date from 1886 and forms part of the cash balance.

	Rs.
Balances on 30th June 1895 ...	85,79,100
(including Rs. 5,48,000 of Mysore Railway Debentures.)	

309. The securities stand registered in favor of "The Dewan of Mysore." Some of the investments are made in London by Messrs. Coutts & Co., Rs. 9,16,200 having been purchased since November 1889.

310. Provision is made for issue of Government pro notes in a special form for investments held by Native Ruling Chiefs as State property and advantage of this might be taken to get such notes issued in favor of this State.

311. It will be seen that since the 30th of June 1895 Rs. 12,55,000 of Government pro notes and Rs. 5,000 of Mysore Railway debentures have been purchased so that at present the entire surplus investment amounts to Rs. 98,33,000.

BALANCES NOT BORNE ON THE PUBLIC BOOKS.

312. This is a charity founded by H. H. Prince Gholam Muhammad of the family of Tippoo Sultan, Rs. 1,66,500 being invested in 3½ per cent Government securities.

Prince Gholam Muhammad's Charities—	
Credit balance ...	Rs. 1,66,500

313. Originally it was intended that 170 paupers should receive a stipend of Rs. 3 each per mensem, the cost of establishment and contingencies being limited to Rs. 16-4-0 per mensem.

314. The securities stand registered in favor of "The Dewan of Mysore."

315. On the reduction of the rate of interest from 4 to 3½ per cent, the number of stipends was reduced to 155, the balance of 15 being paid from the Muzrai Fund. All vacancies will be absorbed till the sanctioned number of 155 is reached.

Deputy Auditor General's Remarks.

Comptroller's Notes.

316. This balance is not brought on the State Accounts. This and the next two items should be treated as charitable endowment under Chapter 74. C. A. Code.

317. This is the balance of a fund initiated so far back as 1833 by the then Maharaja in connection with a College maintained by him. The income from this investment (Government pro note 3½ per cent) is devoted to the payment of scholarships to boys of the Kannada and Hindustani schools as ordered by Government from time to time on bills countersigned by the Education Secretary.

Maharaja's Scholarship—
Credit balance ... Rs. 5,100

318. These securities also stand in the name of "The Dewan of Mysore."

319. This sum, invested in Government securities 3½ per cent, is part of a sum collected from subscribers to the Empress Jubilee Fund which it was decided should be devoted to the benefit of the Empress Girl's School. The interest is handed over to the Committee, who are authorised to spend it subject to the approval of the Education Secretary. These securities also stand in the name of the "Dewan of Mysore."

Empress Girls' School, Tumkur—
Credit balance Rs. 3,300

320. These are investments made from time to time from the private funds of the Maharaja. They are held in safe custody by the Madras Bank and stand registered in favor of the "Dewan of Mysore." They consist of—

Palace Investments—
Credit balance ... Rs. 12,93,500

Rs.	
9,99,000	Government pro notes.
2,94,500	Mysore Railway debentures.
12,93,500	

321. These funds should be accounted for with other Trust Funds in the manner prescribed in Articles 1585 to 1590 C. A. Code and the Trust Interest Fund Account utilised for distributing the interest.

321. Government will be addressed on this subject in due course.

Mysore Govt. Central Press, Bangalore.—26-11.96.

APPENDIX F.

ANALYSIS OF OUTSTANDINGS UNDER ADVANCES RECOVERABLE.

TABLE OF CONTENTS.

Treasuries—	Paras.	*Treasuries*—	Paras.
Huzur	1—38	Kadur	92
Bangalore	39—56	Chitaldroog	93—107
Kolar	57—61	Mysore	108—130
Tumkur	62—76	Hassan	131—133
Shimoga	77—91		

STATE HUZUR TREASURY.

	Rs.	a.	p.
Debit balance on 30th June 1894	..2,96,354	2	7
Balance as per objection book	3,19,710	4	11
Deduct excess credits to 30th June 1894	... 21,392	8	4
	2,98,317	12	7
Add transfer entry brought on ledger but not on objection book	... 31,730	3	11
	3,30,048	0	6
Deduct transfer entry not cleared from objection book but included in ledger	... 33,693	13	11
Balance as above	..2,96,354	2	7

1. Balances on 30th June 1894, adjustments made in 1894-95, and balance on 30th June 1895.

2. The above were carefully scrutinized with the following result.

3. Before proceeding further as to detailed explanations of the irregularities, I may mention that the chief reasons for the present state of affairs are—

(1) The unsystematic way in which advances have been made and accounted for. Monies being advanced to *several* persons for the *same* purpose. Instead of treating advances to each individual as a separate account with a view to making him personally responsible for the balance, only one account, namely, the purpose for which the advance is made, appears in the objection book. Adjustments are made from time to time by the various individuals, either in one account conjointly or individually by each man, with the result that it is almost impossible to say what balance each is liable for.

(2) The unexpended balance of an advance, instead of being refunded at the close of the tour for which made, and the account closed [Article 137 (*d*) C. A. Code] is allowed to stand over and frequently appropriated for some subsequent tour, thereby complicating both accounts and adjustments.

(3) Negligence in the Comptroller's office in adjusting or promptly calling for any necessary information in order to enable the office to adjust correctly amounts refunded into treasuries. Cases have been traced in which items refunded have been placed under Deposit for want of information as to the particular account for which the money has been received, and have been lost sight of for years ; or again, sums are adjusted to a wrong account which necessitates transfer adjustments when the errors are discovered, or when the balance is analysed and correspondence instituted. It is then discovered that the balance that is shown as outstanding had been refunded years ago.

In one instance charges to the extent of Rs. 14,897-12-0 on account of

special trains engaged during His Highness's tour were passed by the Comptroller for payment at the Huzur Treasury on a pre-audited bill and held under Suspense, as the particular tour to which the charge related was not known. Nothing was done to ascertain the correct head, and the amount was allowed to stand under Suspense from May 1891 to December 1894.

(4) In the balance statements, outstandings are arbitrarily grouped together, *e. g.*, "September 1882 to June 1886, balance to be adjusted on account of advances made to Dewan's office up to 30th June 1896;" or again, "Balance remaining to be adjusted out of the advances made for Northern India Tour, 1887-88, Rs. 1,200." Immediately below this there is another entry to the effect, "Amount to be recovered from the officials on account of advances made to them during Northern India Tour, 1887-88, Rs. 1,030-3-9." A recovery on account of Northern India Tour 1887-88 will be creditable to either the former or the latter. It would therefore be advisable to group these balances in such a way as there may be no doubt as to the head for which a sum has been credited in the treasury.

(5) Insufficiency of detail in the cash account in crediting amounts refunded into the treasuries on account of outstanding advances: the majority of entries being something like the following:—"Chief Secretary. Received with his No. 20299—5350, dated 11th instant, and credited in lump sum, *vide* this Office No. 381, dated 22nd May 1895." On a reference to Chief Secretary's No. quoted, it is found that the letter refers to a previous No., and forwards a certain sum of money for credit towards the adjustment of a balance mentioned but which is not traceable in the objection book as the balances have been grouped differently. The next step is to turn up the Treasury officer's No. quoted, but the only information that is gathered therefrom is that it acknowledges the receipt of the said sum for credit as directed in Chief Secretary's No. quoted. The essential particulars, such as "From whom received," "On what account," the No. and date of original advance, &c., are seldom given.

4. With these preliminary remarks I now proceed to analyse the adjustments made during 1894-95 of the balance outstanding on 30th June 1894. I shall only notice those items which to my thinking appear to have been irregularly adjusted or which reveal some peculiarities. All adjustments made by cash recoveries have been traced in the cash account. As

regards those made by transfer to some other heads of account for which vouchers have been produced, duly audited, I have accepted such vouchers as correct.

5. I notice that the adjustments have been made in one of the three following modes, namely—

(*a*) Recovery in cash.
(*b*) Debit to a final head of account.
(*c*) Debit to another or the same advance head.

6. I propose at the end of this note to show the total amount adjusted classified as above.

7. The Nos. quoted refer to the items in the outstanding list for 1894-95.

Items.	Rs. a. p.	*Mode of Adjustment.*
No. 2, balance of advance on account of Northern India tour, 1887-88 ...	1,200 0 0	8. By debit to Northern India Tour charges, vouchers not forthcoming, said to have been adjusted under G. O. No. 15921 —G.4516, dated 29th March 1895, copy of which has been called for from Dewan's office by the Comptroller.
No. 3, Ditto ...	1,030 3 9	9. This item was removed from objection in April 1895 and brought afresh in the objection book for that month; or, in other words, it was credited to Advances in order to remove the old objection and a fresh debit raised in the same month.

10. This item was subsequently, *i. e.* in June 1895, together with two other items for Rs. 155-6-9 and Rs. 250, charged to Advances to Palace officials by credit to Advances Recoverable; or in other words, the item was adjusted as far as Government accounts were concerned, but was transferred to the Palace accounts to be recovered by the Palace Controller from the officials concerned, under Government Proceeding No. 2091-2—Fl. 125, dated 21st July 1895. This should have been done on the completion of the tour or at a much earlier date.

11. The two items of Rs. 155-6-9 and Rs. 250 were recovered in excess from the parties concerned but taken to credit of Advances in reduction of the aggregate balance outstanding. They were subsequently placed under deposit and fresh debits raised under Advances as the amounts represented sums recoverable from other than those who had paid the sums. The former item underwent an intermediate adjustment, *i. e.* was both debited and credited to Local Remittances. The amounts were in June 1895 credited to Advances and charged to Palace for recovery under Government proceedings as noted above. The money realised in excess was refunded in the former case to the party from whom

Mode of Adjustment.	*Items.*	Rs.	a.	p.
it had been recovered, and in the latter case is still in deposit as the claimant is dead.				
12. Charged to Northern India Tour expenses in April 1895 by credit to Advances Recoverable; vouchers not forthcoming; should have been treated as a final charge instead of being held under Advances.	No. 5, June 1893, value of two cheque books purchased ...	6	4	0
13. Rs. 3 out of this sum has been transferred to Palace for recovery by Palace Controller under Government proceedings noted against item No. 3.	No. 6, balance of advance on account of Northern India tour, 1892-93 ...	906	10	0
14. (*a*) Two sums of Rs. 9,560-7-0 and Rs. 2,625 were received in December 1891 and January 1892 in adjustment of advances and were placed under Revenue Deposits for want of information as to particular advances to be credited instead of being credited to Suspense under Article 979 (a) C. A. Code, and were consequently lost sight of. These two items were transferred to credit of Advances in December 1894, or three years after receipt on analysing the balance outstanding.	1889-90—			
	No. 7, balance of advance on account of Bombay, Madras and Ooty tours ...	47,093	9	2
(*b*) Rs. 18,000 being the unexpended balance at the Bombay Bank was transferred to the Bank of Madras at *Mysore* and was credited to Palace. It was subsequently found out that the amount represented funds placed at the disposal of Government at Bombay to meet tour expenses and had been charged to Advances. Credit was therefore afforded to that head by debit to Palace.				
(*c*) Two items of Rs. 5,498-7-0 and Rs. 4,000* are said to be the unexpended balances held by the Bank of Madras, Ooty, on account of funds provided to meet tour charges. These have been adjusted by credit to Advances Recoverable in April 1895 to close the old account and a re-debit in the same month on account of advances to meet Ooty Tour charges 1895. Bank pass books not produced.	*Vide Government Proceedings No. 18833—G.5091, dated 1st May 1895.			
(*d*) One anna written off to Profit and Loss.				
(*e*) Rs. 127-13-0 on account of commission to Madras Bank has been charged to tour charges and credit afforded to Advances Recoverable. No vouchers in support of debit.				
15. Charged to Tour expenses by credit to Advances Recoverable. Vouchers not forthcoming.	November 1891—			
	No. 9, commission to Bank of Bombay during Bombay tour ...	259	14	11
16. Out of this sum Rs. 18 was transferred to Palace for recovery from Palace officials, *vide* proceedings noted against item No. 3.	No. 10, balance of advance on account of Bombay, Madras and Ooty tour ...	714	9	0
17. Paid on bill pre-audited and passed by Comptroller and held under Suspense for want of certain information; removed from objection in December 1894, but	May 1891—			
	Nos. 12 and 13, special train charges, Mysore to Poona and back ...	8,751	0	0
		6,146	12	0

Items.				*Mode of Adjustment.*
				omitted from adjustment register through an oversight.
April 1894—				
No. 15, balance of Rs. 6,045 placed in Madras Bank, Ooty, on account of tour expenses ...	Rs. 3,072	a. 6	p. 9	18. Said to be the unexpended balance on account of former tour transferred to subsequent tour account by credit to former account. Pass book not produced.
1889-90—				
No. 18, balance on account of Malnad tour of 1889-90...	462	15	6	19. Rs. 7 represents sale proceeds of unserviceable articles purchased during the tour to be accounted for by the officer concerned. A debit was raised under Advances in May 1895 but was included in the statement of balances of 1889-90 outstanding on 30th June 1895 in order that the total amount outstanding on account of Malnad tour should be shown in one place. The advance raised in May is also outstanding in that month, so that by and by the old balance will be adjusted, and the fact that the advance for May is included there will be lost sight of and it will be carried forward from year to year until some analysis of balance is made.
Deduct adjustments in 1894-95	349	8	0	
Balance ...	113	7	6	
Carried over to statement of 1895-96 ..	120	7	6	
Or in excess	7	0	0	20. There is a further irregularity as regards this item. The sum of Rs. 7 was charged to Advances by credit to Miscellaneous, *i. e.*, credit was given in anticipation of realisation in contravention of Article 928 C. A. Code.
1892-93—				
No. 19, Khedda camp, Chinchenkatte camp, Hessarghatta tour, and Nandidrug camp ...	645	7	3	21. Out of this an amount of Rs. 46-3-0 on account of advances made to Silledars to meet travelling expenses has been charged off finally to service head under Government Proceeding No. 2091-2—Fl. 125. No bill was received. I notice that the balances outstanding are reported from time to time to Government and peremptory orders are given to adjust such or such a sum by debit to such or such a head without any voucher or document. Such orders emanate from Secretary, Under-Secretary or Assistant Secretary, and these are the very people to whom advances are made and who are liable for their recovery. I notice this *en passant* as I think it irregular. It is the duty of the Comptroller to obtain proper vouchers or documents for any adjustments he makes, or orders of Government for the writing off of any irrecoverable sums. Under the present system a sum outstanding for a long time is reported by the Comptroller to Government, and Government says it has been spent for so and so, and orders to debit the heads concerned. In this case vouchers should have been obtained at the time and submitted.

Mode of Adjustment.	*Items.*	Rs.	a.	p.
22. A sum of Rs. 100 paid on account of railway fare of certain Palace servants to Bombay has been charged to the Provincial Tour and credited to Advances Recoverable, under Government Orders No. 3185—Fl. 180, dated 16th September 1895, without vouchers in support. Now the Provincial Tour charges should be on account of expenses incurred within the province. It is therefore not understood how railway fare to Bombay should be charged to this tour. In Government Proceedings No. 2091-2—Fl. 125, dated 21st August 1895, it was directed that the amount should be charged to the Bombay tour of 1891, but as there was not a sufficient balance outstanding, Government issued a subsequent order to adjust it against Provincial Tour, which was accordingly done by the Comptroller without raising any objection.	1890-91— Nos. 25 to 33, advance on account of His Highness' provincial tour ...	16,000	0	0
23. Rs. 50 adjusted by debit to Khedda Camp charges under Government proceedings noted above. Remarks against item No. 19 apply here too. No voucher in support.	1891-92— Nos. 34 to 42, advances on account of His Highness' visit to Khedda ...	8,950	0	0
24. Unadjusted balance on 30th June 1895, increased by Rs. 15-3-2 on account of sale proceeds of unserviceable articles—see remarks against item No. 18.	1892— Nos. 71 and 72, expenses in connection with Dewan's tour to Madras ...	1,000	0	0
25. Adjusted in March 1895 by debit to Khedda Advances and credit to Advances Recoverable, being removed from one head to another, there being no real adjustment at all.	February 1890— No. 92, advance on account of rewards to Khedda employees ...	1,600	0	0
26. Adjusted nearly seven years later by debit to Miscellaneous, Gold Mining, under Government Proceedings No. 2091-2—Fl. 125, dated 21st August 1895. No voucher on record.	October 1888— No. 93, paid Mr. Plumer on account of books through Messrs Coutts & Co. ...	509	1	5
27. Adjusted by debit to Miscellaneous and credit to Advances Recoverable. No authority or voucher in support of adjustment.	May 1894— No. 101, payment to D. C. Boulger, London, through Messrs Coutts & Co, on account of purchase of books	1,669	9	0
28. Written off under Government proceedings quoted above. Allowed to remain outstanding from 1879 to June 1895.	February 1879— No. 104, balance of advance on account of municipal forms ...	0	0	2
29. Outstanding since 1879. Rs. 37-7-5 were credited in September 1879 in excess of advance drawn by him and were credited	April 1879— No. 105, balance of advance to Secretary to Chief Commissioner on account of circuit expenses ...	10	0	0

Items.				*Mode of Adjustment.*
				to Miscellaneous Receipts. This amount very likely contains Rs. 10 outstanding which was lost sight of for years. It has now been adjusted (April 1895) by debit to "3 Refunds" and credit to "Advances Recoverable."
March 1894—	Rs.	a.	p.	
No. 108, advance to coffee peelers ...	5,275	0	0	30. Transferred to Loans in April 1895.
1888-89—				
Nos. 110 to 119, advances on account of kheddas ..	2,946	10	0	31. Transferred in March 1895 to Khedda Advances.
June 1893—				
Nos. 146 and 147, value of counterfeit coins found in remittances ...	5	0	0	32. Actually recovered and adjusted by transfer entry in December 1893, but not removed from objection till March 1895.
1890—				
Nos. 179 and 180, contingencies of the Census Department...	96	0	9	33. Amounts held under Suspense in September and October 1890 charged to Census in January 1891 and erroneous credit afforded to Advances Recoverable instead of to Suspense in cancellation of original debit, correctly adjusted in March 1895.
1892—				
No. 202, cost of clothing supplied to Imperial Service Regiment ...	11,827	15	1	34. Adjusted by transfer entry in July 1893 but not removed from objection till March 1895.
1893-94—				Rs. a. p.
Nos. 208 to 213, advances for building houses ...	11,220	0	0	35. Recovered in cash during 1894-95 ... 9,707-8-0 Transferred to House-building advances in 1895 ... 1,512-8-0 11,220-0-0

1894-95.

36. The total amount debited to "Advances Recoverable" during 1894-95 was Rs. 33,90,691-12-5, out of which Rs. 31,82,019-0-5 represents transactions of the three Presidency banks and their branches.

37. The total credit afforded during the year on the above account was as under :—

		Rs.	a.	p.
By cash becovery	...	24,444	2	2
By debit to final heads	...	1,60,661	13	2
By bank payments	...	31,79,027	15	0
By transfer being balance held by the banks	...	2,991	1	5
		33,67,124	15	9

leaving a balance outstanding on 30th June 1895 on account of debits of 1894-95 of Rs. 23,566-12-8.

38. General statement of transactions under head Advances Recoverable—

	Rs.	a.	p.
Total amount shown as outstanding on 30th June 1894 as per objection book ...	3,19,877	8	4
Deduct amount included in total but not actually outstanding on 30th June 1894 ...	167	3	5
Amount outstanding as arrived at by actual summation ...	3,19,710	4	11
Deduct adjustments made during 1894-95 on account of balance outstanding on 30th June 1894—			
By cash recovery	91,321	7	4
By debit to Service heads	1,51,155	5	10
By debit to Advance heads	43,056	7	6
By debit to Debt heads (Suspense)	12,185	7	0
	2,97,718	11	8
Balance on 30th June 1895	21,991	9	3
Add amounts outstanding on account of transfer entries on account of previous years ...	7,623	11	0
Add amounts outstanding on account of 1894-95 objections (*vide* para 37) ...	23,566	12	8
Grand total of outstandings on 30th June 1895 as per objection book ...	53,182	0	11
Add amount debited by transfer entry and subsequently entered in objection book ...	1	0	0
	53,183	0	11
Deduct excess credits up to 30th June 1895, *i. e.*, amounts credited to Advances Recoverable in the ledger but which are not traceable in objection book	1,500	0	0
Balance outstanding on 30th June 1895 as per ledger	51,683	0	11

BANGALORE DISTRICT

39. The difference of Rs. 12,143-10-5 is due to Rs. 12,153-10-8 having been charged to Advances by transfer adjustments from April 1883 to 30th June 1894, but not included in the objection books of those years. There is a further difference of Rs. 10-0-3 between the two sets of accounts due to errors committed so far back as 1882-83 and 1890-91, but not detected till last year, *i.e.*, 1894-95. These discrepancies have been adjusted during 1894-95 so that the balance on the 30th June 1895 as per objection book agrees with that shown in the ledger.

40. On the whole the adjustments have been satisfactorily made and the items of advances are not mixed up with each other nor are the adjustments complicated as in the case of the Huzur Treasury; the balance outstanding too on 30th June 1894 was not very large comparatively speaking.

41. On going through the objections of 1894-95, I notice that several items are placed under Suspense every month, and that whereas the column "Items awaiting clearance" is generally blank, the amount under Suspense steadily increased from Rs. 74-10-0 in July 1894 to Rs. 6,343-13-5 in March 1895. As however it is imperative to show as small a balance under this head at the end of the year as possible, most of the items are removed during the last two or three months of the year.

42. Very many items that are held under Suspense are from their nature susceptible of final audit and adjustment,

Debit balance on 30th June 1894—

	Rs.	a.	p.
Ledger ...	39,911	14	0
Objection book ...	27,768	3	7
Difference ...	12,143	10	5

Debit balance on 30th June 1895—

As per ledger and objection book ...	35,547	10	11

technical objections only being raised, such as "Bill returned for insertion of the period for which payment was claimed." Or again, "Sanction of Government not furnished for the charge," &c.

43. It saves the auditor and adjuster time to place these items wholesale under Suspense in order to enable them to complete their accounts, the audit and correct adjustments being made at their leisure. It is evident that the requirements of Article 979 C. A. Code, which lays down that no item should be taken under Suspense except with the special sanction of the officer in charge, are not fulfilled, as it is not likely the officer in charge would sanction such an irregular procedure. The want of vouchers is also the cause of a large number of items being taken to this head, but the remedy lies in the hands of the Comptroller. In no case, as far as I am aware, is a call made for missing vouchers which are shown in the list of payment as "will follow," but the Treasury Officers are allowed to submit them at their own convenience.

44. The following remarks suggested themselves on the detailed examination of the adjustments made during 1894-95—

Items.	Rs. a. p.	*Mode of Adjustment.*
1889-90—		
Nos. 9 to 11, amounts advanced for the reception of H. R. H. Prince Albert Victor	50,767 15 6	45. This sum was removed from Advances Recoverable so far back as June 1893, under the authority of Government proceedings I am told, but they are not forthcoming, and was held under objection in the column "awaiting clearance," where it is still outstanding. Virtually there was no adjustment but only a transfer in order to reduce the balance under Advances.
1892—		
No. 19, advance for repairing Bunneerghat temple ...	107 7 9	46. Recovered in May 1894 and erroneously credited to Muzrai Surplus Funds by the Treasury Officer; readjusted in June 1895.
1892-93—		
No 30, advance to Senior Surgeon for the purchase of furniture	1,130 15 8	47. Adjusted by debit to Service head. The voucher on which the adjustment was made cannot be found.
January 1894—		
No. 56, amount advanced to Vice Chairman of the City Municipality ...	10,000 0 0	48. Unadjusted on 30th June 1895; should have been transferred to Loans instead of being allowed to remain under Advances Recoverable.
February 1894—		
No. 59, advances for sinking wells ...	342 4 6	49. Adjusted in July 1894 by debit to Advances for wells, or in other words, merely transferred from one head of advance to another.

Mode of Adjustment	*Items.*	Rs.	a.	p.
50. Adjusted in June 1895 by debit to Advance for relief works, *i. e.*, transferred from one advance head to another.	June 1893 to March 1894— Nos. 33, 38, 51, 55 and 63, advances for dismantling walls of Nelamangala, aggregating ...	172	14	1
51. Advances on account of works debitable to P. W. D. are held under objection till receipt of completion vouchers, and are then adjusted by debit to P. W. D. and credit to Advances Recoverable instead of being charged off at once to P. W. D.	June 1893 and March 1894— Nos. 32 and 65, advances on account of works chargeable to P. W. D. ...	63	14	3
52. The amount was debited to Advances Recoverable by transfer entry in April 1883, but was not entered in the objection book and was consequently lost sight of. The amount was brought on the objection book in March 1895, along with the other transfer entry items in order to effect an agreement with the ledger balance, and as it evidently was too late to prefer a claim against the Civil and Military Station, it was written off by debit to Police and credit to Advances Recoverable by transfer entry in June 1895. The Government has been a loser by this amount which should not have been written off without its orders. The correct debit head is Profit and Loss and not Police.	April 1883— Two-thirds cost of Police Manuals for the use of Civil and Military Station ..	52	0	0
53. Ditto ditto adjusted by debit to Municipality in June 1895 by transfer entry; should have been recovered in cash and credited to Government instead of a book adjustment in the office. 54. It is doubtful whether the municipal balance has been decreased and the Government balance increased by this amount in the treasury.	1879-80— Value of bamboo staves supplied by the Forest Department to the Bangalore Municipality ...	7	7	8
55. Debited to Advances Recoverable in 1893-94, but brought on the objection book only in March 1895. Still outstanding, *i. e.*, on 30th June 1895. 56. Statement of transactions under Advances Recoverable—	1893-94— Tank work executed by the P. W. Department and recoverable from the Inamdars during 1893-94 ...	14,059	1	0

Balance outstanding on 30th June 1894 as per objection book		27,768	3 7
Add debits to Advances Recoverable up to 30th June 1894 omitted from the objection book...		12,153	10 8
Total outstanding on the 30th June 1894 ...		39,921	14 3
Deduct adjustments made during 1894-95 out of the balance outstanding on 30th June 1894—			
By cash recovery	4,674 14 11		
By debit to Service heads	4,013 8 0		
By debit to Debt heads	5,313 7 5		
By debit to another Advance head	2,495 2 7	16,497	0 11
Balance outstanding on 30th June 1895 on account of previous years		23,424	13 4
Add balance outstanding on 30th June 1895 on account of 1894-95 as worked out below —			
Debits during 1894-95	17,789 10 1		
Credits during 1894-95	5,666 12 6	12,122	13 7
Balance on 30th June 1895 as per ledger		35,547	10 11

KOLAR DISTRICT.

Debit balance on 30th June 1894—

	Rs.	a.	p.
Objection book ...	8,845	0	10
Ledger ...	8,767	0	6
Difference ...	76	0	4

Balance on 30th June 1895—

As per ledger and objection book	7,104	7	10

57. The difference of Rs. 76-0-4 is due to an error in posting the detail book in March 1890, the amount having erroneously been entered in the Suspense column instead of in the Advances Recoverable one. This error was not rectified till March 1895, when the two sets of books were made to agree.

58. The total adjustment during 1894-95 on account of the balance outstanding on 30th June 1894 was Rs. 4,591-6-5, out of which Rs. 3,177-6-5 were recovered in cash and the balance, namely, Rs. 1,414 was adjusted by transfer debit to some other head of account. Of this latter amount Rs. 1,190 has been transferred to P. W. D. on account of advance for compensation of lands taken up for public purposes.

59. The irregular practice of holding under Advances Recoverable sums which are chargeable to P. W. D. has already been noticed in the Bangalore District review of adjustments. I notice that "anticipatory pensions" used to be held under objection as Advances Recoverable and adjusted on the issue of final P. P. O's. This practice has since been discontinued.

60. Little else calls for remarks in this district. The balance is small and most of the advances are recovered in cash. The remarks made in the Bangalore District regarding the utilisation of the suspense head to gain time in the audit of charges apply here also, the balance rising steadily from Rs. 614-6-5 in July 1894 to Rs. 7,415-7-1 in December 1895; after that there is a gradual decrease in the balance although fresh items are placed under this head every month.

61. The following table will show at a glance the transactions under Advances Recoverable during 1894-95:—

				Rs.	a.	p.
Balance as per objection book on 30th June 1894				8,843	0	10
Add debits during 1894-95				11,863	3	1
				20,706	3	11
Deduct adjustments during 1894-95—						
On account of balance of 30th June 1894	...	4,591	6 5			
On account of 1894-95	...	9,010	5 8			
				13,601	12	1
Balance on 30th June 1895 agreed with ledger ...				7,104	7	10

TUMKUR DISTRICT.

Debit balance on 30th June 1894—

As per objection book ...	7,361	11	7
As per ledger ...	7,324	15	0
Difference ...	36	12	7
Debit balance on 30th June 1895 agreed with ledger ...	3,074	13	10

62. This difference is due to a series of errors (shown below), the net result of which is an excess credit of Rs. 36-12-7 in the ledger which consequently reduces the debit balance from Rs. 7,361-11-7 to Rs. 7,324-15 0 on 30th June 1894.

	Rs.	a.	p.	
Amount credited to Advances Recoverable in the classified abstract for February 1887 and brought to book ...	826	12	5	
Subsequently corrected in red ink in order to agree with credits of objection book, but the original figure was allowed to stand in detail book and ledger ...	650	0	0	
	176	12	5	Excess credit.
Amount held under objection in August 1884 as Advances Recoverable but erroneously posted under Suspense in the classified abstract of charges, *i. e.*, a short debit	0	0	2	
	176	12	7	Total excess credit.
Amount of Advances Recoverable adjusted in objection book but erroneously posted against Suspense in the receipt abstract for 1889, although the certificate that the debits and credits under Advances Recoverable as per objection book and classified abstract has been agreed, was signed by the then Chief Assistant, *vide* Article 994 (1) C. A. Code	140	0	0	Short credit.
	36	12	7	Net excess credit.

63. These errors were adjusted by transfer entries in March 1895 by debits and credits to the heads concerned.

64. Out of a balance of Rs. 7,361-11-7 on 30th June 1894, Rs. 5,199-1-8 were adjusted during 1894-95, namely, Rs. 3,249-13-11 by recovery in cash, Rs. 159-3-9 by debit to some final head of account, and Rs. 1,790 by transfer to some other advance heads pending recovery.

65. The chief irregularity noticeable in this district is the practice of holding small sums, very often only a few annas and pies, disallowed by controlling officers in contingent bills, under "Advances Recoverable" instead of charging the gross amount to the heads concerned and holding the amounts disallowed in the column "Service payment for recovery."

66. The irregular use of the Suspense head (noticed in Bangalore) is made in this district also, but the balance is not allowed to run up, adjustments being made every month of previous month's outstandings.

67. The following items call for special remarks—

Irregularities.	*Items.*			
68. Recovered in February 1888 and January 1890 but erroneously credited to Advances for Boundary Marks; correctly adjusted in March 1895.	December 1887—			
	No 2, advance to Amildar for repairing boundary marks ..	30	0	0
69. Erroneously debited to Advances Recoverable in September 1889; transferred to Revenue Survey Advances in March 1895.	September 1889—			
	No. 9, advance to the Deputy Superintendent, Revenue Survey, through Amildar...	600	0	0

Items.	Rs.	a.	p.	*Irregularities.*
September 1889—				
No. 10, advance to Amildar on account of repairs of tank	200	0	0	70. Recovered in October 1889 but erroneously credited to P. W. D. Remittances; correctly adjusted in March 1895.
November 1891—				
No. 16, supplementary pay bill of hubli school master, paid after six months ...	6	14	9	71. Adjusted by debit to Service Head in June 1895; voucher in support of adjustment not forthcoming.
December 1891—				
No. 17, amount disallowed by the District Magistrate in taluk lock-up contingent bill ...	0	5	2	72. Debited to Advances Recoverable instead of being charged gross to head concerned and held in column "Service payment for recovery." The amount was shown by Treasury Officer on recovery under Law and Justice and was so adjusted. The error was rectified in March 1895 by means of a transfer entry.
February 1892—				
No. 18, advance for deepening a well in Gubbi taluk.	200	0	0	73. Erroneously debited to Advances Recoverable instead of to "Advances for irrigation purposes," to which head it was transferred in August 1894.
June 1894—				
No. 44, advance of one month's pay to head munshi, Tiptur Taluk, on transfer ...	20	0	0	74. Recovered in three instalments by deduction from pay bill. The net amount of pay was charged in the accounts instead of gross and a per contra credit to Advances Recoverable. The correct adjustment was subsequently made.
				75. Rs. 4,369-8-10 were held under Advances Recoverable in 1894-95, out of which Rs. 3,457-4-11 were adjusted during the course of the year, namely, Rs. 3,256-14-0 by recovery in cash and Rs. 200-6-11 by debit to some final head of account, leaving a balance on 30th June 1895 of Rs. 912-3-11 on account of 1894-95.

76. Statement of transactions under Advances Recoverable—

				Rs.	a.	p.
Balance outstanding on 30th June 1894				7,361	11	7
Deduct adjustments—						
By cash recovery	...	3,249	13 11			
By debit to final head of account	...	159	3 9			
By transfer to other Advance heads	...	1,790	0 0			
				5,199	1	8
Balance outstanding on 30th June 1895 of previous year's objections				2,162	9	11
Add balance on 30th June 1895 on account of 1894-95—						
Total debits	...	4,369	8 10			
Total credits	...	3,457	4 11			
				912	3	11
Total balance on 30th June 1895 agreed with ledger ...				3,074	13	10

SHIMOGA DISTRICT.

Debit balance on 30th June 1894—

	Rs.	a.	p.
As per ledger ...	12,403	13	10
As per objection book ...	7,377	5	1
Difference ..	5,026	8	9

77. Neither the ledger nor the objection book balance is correct. The correct balance and differences are shown and explained overleaf :—

	Rs.	a.	p.							
Balance as per objection book on 30th June 1894	7,377	5	1							
Add value of timber supplied by the Forest Department to the Superintendent, Shimoga Jail, and adjusted in the Comptroller's office in 1886-87, through transfer book by credit to Forest and debit to "Advances Recoverable." Not included in the objection book but still outstanding on 30th June 1894				Rs.	a.	p.				
				757	1	1				
				423	11	8				
				73	14	8				
				986	6	10				
				243	11	4				
	2,484	13	7							
Add balance outstanding on 30th June 1894, being excess of debits over credits on account of transfer book transactions omitted from objection book for the years concerned.							Debits.			Credits.
				1888-89			476	10	2	...
				1889-90			1,022	15	8	367 1 10
				1890-91			380	7	11	761 15 11
				1891-92			753	0	6	848 13 8
	655	2	10				2,633	2	3	1,977 15 5
Actual outstanding on the 30th June 1894	10,517	5	6							

78. The difference between the ledger balance and that actually outstanding on 30th June 1894 is Rs. 1,886-8-4, and is due to a net excess debit having being raised against that head thus increasing the debit balance from Rs. 10,517-5-6 to Rs. 12,403-13-10 as explained below.

A sum of Rs. 2,634-10-6 was credited to Suspense in the Receipt abstract in June 1885 and brought to book. Subsequently Rs. 2,537-8-6 were transferred to "Advances Recoverable" by a correction in red ink in the district abstract, but the original figures were allowed to stand in the detail book and ledger, *i. e.*, a short credit in ledger	2,537	8	6	
Amount credited to "Advances Recoverable" in the district abstract in October 1890 but erroneously shown against "Advance for survey boundary marks" in the detail book, *i. e.*, a short credit ...	125	12	0	
Value of timber supplied by the Forest Department to Superintendent, Shimoga Jail, and adjusted in Comptroller's office through transfer book in 1892-93 by credit to Forest and debit to "Advances for Jail Manufactures;" subsequently readjusted by a plus entry against "Advances Recoverable" and a minus one against "Advances for jail manufactures." In June 1893 credit was afforded to "Advances Recoverable" by debit to departments supplied with jail manufactures, and the adjustment as regards this item was both correct and complete, but in June 1894 the auditor being under the impression that the original adjusting entry with Forest Department had not been readjusted by a plus and minus correction erroneously readjusted it by means of a formal entry by debit to "Advances Recoverable" and credit to "Advances for Jail Manufactures," thereby raising an excess debit. (This entry was reversed in March 1895. This particular item has undergone five sets of adjustments.)	339	11	6	
	3,003	0	0	Total excess debits.

	Rs.	a.	p.	
Brought forward	... 3,003	0	0	Deduct amount credited to Suspense in the district abstract in December 1884 but erroneously shown against "Advances Recoverable" in the detail book, *i. e.*, an excess credit.
	1,116	7	8	
	1,886	8	4	Net excess debit, being the difference between the actual balance outstanding on 30th June 1894 and that shown in the ledger.

79. Out of Rs. 10,517-5-6, the actual outstanding balance, Rs. 5,269-1-9 have been adjusted during 1894-95, namely, Rs. 389-10-0 by recovering in cash and Rs. 2,169-12-9 by debit to some final head of account, and Rs. 2,709-11-0 through transfer book debit of another advance head.

80. Eleven vouchers in support of the adjustment of amounts aggregating Rs 505-8-8 were not produced; the reason given is, that they are missing from the bundles. Three vouchers out of the eleven are said to have been taken unofficially by Muzrai Department and not returned. I shall here state an irregular practice noticeable in the Shimoga District, and very probably existing in the other districts also, *i.e.*, the practice of placing amounts for which no vouchers have been received under Suspense in the first instance, and then transferring such items to the head "Advances Recoverable," if at the end of the year the vouchers are still wanting, no steps being taken either to obtain the vouchers or prevent the recurrence of the irregularity in future. It thus happens that final payments which should be finally charged appear in the Advances Recoverable column of the objection book.

Items.				
				81. The following are the irregularities noticed in detail of items.
Nos. 1, 2, 6, 7, 10, 12, 13, 17, 18, 51, and 74.				82. Adjusted by debit to a final head of account. Vouchers in support of adjustment missing from bundle.
March 1890—				
No. 8, temple expenses ...	6	0	0	83. Pay of servant should have been finally adjusted.
March 1892—				
No. 20, Sagar taluk school bill	25	8	0	84. Pay of establishment ditto
No. 21, establishment pay bill of Sub-Deputy Inspector ...	4	6	5	85. Ditto ditto
May 1892—				
No. 23, establishment pay bill of Honnally taluk school ...	18	0	0	86. Ditto ditto

Note.—Several items of the above nature are still outstanding pending adjustment.

Irregularities.	*Items.*			
87. The amount was adjusted in July 1894, although the bill bears the audit enfacement dated 27th March 1895 or eight months before audit.	June 1893—			
	No. 48, compensation for land taken up for revenue purposes	Rs.	a.	p
		6	0	0
88. The amount has been adjusted and removed from objection before the completion of the repairs on the original advance voucher.	June 1894—			
	No. 72, amount advanced for the repairs of the temple at Tirthahully taluk ..	308	0	5
89. On account of establishment charges; should have been charged finally.	June 1894—			
	No. 78, bill for expenses of temple at Tirthahully taluk ...	50	0	0
90. Out of Rs. 7,963-12-0 held under "Advances Recoverable" during 1894-95, Rs. 4,920-15-4 were adjusted, the full amount being recovered in cash, leaving a balance of Rs. 3,042-12-8 on account of 1894-95 unadjusted on 30th June 1895.				

91. Summary of transactions under Advances Recoverable during 1894-95—

Actual balance outstanding on 30th June 1894		10,517	5 6
Deduct adjustments—			
By cash recovery	... 389 10 0		
By debit to final heads of account	... 2,169 12 9		
Through transfer book by debit to Advance head	... 2,709 11 0		
		5,269	1 9
Balance outstanding on 30th June 1895 on account of previous year's objections	...	5,248	3 9
Add balance on account of 1894-95 objections as under—			
Total debits	... 7,963 12 0		
Total credits	... 4,920 15 4		
		3,042	12 8
Balance outstanding on 30th June 1895 agreed with ledger		8,291	0 5

KADUR DISTRICT.

92. The adjustment and balance have been thoroughly analysed and scrutinised and agreed with the general books.	Debit balance on 30th June 1894	9,168	1 2
	Adjusted during 1894-95 ...	7,404	5 2
	Balance on 30th June 1895 ...	1,763	12 0
	Balance of unadjusted items of 1894-95 outstanding on 30th June 1895 ...	14,614	2 9
	Total ...	16,377	14 9

CHITALDRUG DISTRICT.

93. This difference is due to short credits in the ledger thereby raising the debit balance from Rs. 5,027-3-6 to Rs. 5,211-0-2 on 30th June 1894 as follows—	Debit balance on 30th June 1894—		
	As per ledger ...	5,211	8 2
	As per objection book ...	5,027	3 6
	Difference ...	184	4 8
Rs. 183-4-8 was credited to Advances Recoverable in August 1882 in the district classified abstract, but on posting the detail book the amount was erroneously shown under Sale proceeds of Malwa opium.	Debit balance on 30th June 1895—		
	Agreed with ledger ...	7,763	2 8

Re 1 was short credited to Advances Recoverable in June 1894 as under—

	Rs.	a.	p
Total credits as per objection book ...	3,359	5	9
Total credits as per abstract book ...	3,358	5	9
Difference ..	1	0	0

94. These errors were corrected during 1894-95.

95. Out of a balance of Rs. 5,027-3-6 outstanding on the 30th of June 1894, Rs. 4,668-14-11 were adjusted during 1894-95, namely, Rs. 3,650-14-8 by cash recovery, Rs. 268-0-3 by debit to some final head of account, and Rs. 750 by transfer to advances for building houses.

96. The chief feature in this district is the number of erroneous adjustments of credits afforded on account of amounts outstanding necessitating transfer adjustments years after, in order to remove the old outstanding items. This has been noticed in detail lower down.

97. Another irregularity is the practice of holding under Advances Recoverable the pay of Local Fund Establishment which is debitable to two or more funds, the proportion chargeable to each fund being ascertained only at the close of the year. The total cost may be debited to one or the other of the funds in the first instance, or to a separate Suspense head, and final adjustment made at the end of the year without passing the items through the objection book.

98. The following erroneous adjustments were noticed during the review of the adjustments made during 1894-95—

Items.		*Irregularity in adjustment.*
July 1888—		99. Bill for adjustment of advance dated 7th August 1889 was not audited nor objection removed until April 1895 or nearly six years after. The bill does not bear the countersignature of Muzrai Secretary.
No. 1, amount advanced for the repairs of Govt chatram at Chitaldrug ..	Rs. a. p. 240 14 6	
February 1891—		100. Recovered in cash in January 1892 but erroneously credited to "XIX Miscellaneous." The objection was not removed until September 1894, when the amount in question was transferred to the correct head.
No. 2, advance to Deputy Commissioner on account of camp expenses ...	200 0 0	
August 1891 and February 1892—		101. Recovered in March 1892 and September 1893, but erroneously credited to "Advances for boundary marks;" correctly adjusted in September 1894.
Nos. 3 and 6, advance for repairing boundary marks ...	100 0 0	
December 1891—		102. Rs. 6-4-0 recovered in June 1892 but erroneously credited to "XIX Miscellaneous." Error corrected in June 1895.
No. 5, advance for batta to witnesses ...	46 4 0	
July 1893—		103. Rs. 10, the third instalment recovered by deduction from pay bill, but erroneously charged net instead of gross and per contra credit to advances recoverable; corrected by means of transfer entry in July 1894.
No. 11, advance for a month's pay to Judicial Record-keeper on transfer ...	30 0 0	

Irregularity in Adjustment.

104. The sum of Rs. 1-5 overdrawn from municipal funds should not have been debited to Advances Recoverable but to Municipalities. The credit afforded by Treasury officer to municipal funds would then have been correct instead of necessitating a write-back in June 1895 to credit of Advances Recoverable.

105. Should have been charged finally instead of being held under Advances Recoverable as the charge was a final one and not an advance.

106. In the year 1894-95 Rs. 11,466-8-11 were held under Advances Recoverable, out of which Rs. 4,061-10-10 were adjusted, namely, Rs. 3,526-13-4 by recovery in cash and Rs. 534-13-6 by debit to some final head of account, leaving a balance of Rs. 7,404-14-1 outstanding on 30th June 1895 on account of 1894-95 objections.

Items.

February 1894—

	Rs.	a.	p.
No. 20, amount of fodder charges drawn by Amildar in excess from municipal funds	1	5	0

May 1894—

No. 26, pay bill of statistical clerk for April 1894 ...	0	12	9

107. Statement of transactions under Advances Recoverable—

				Rs.	a.	p.
Balance outstanding on 30th June 1894				5,027	3	6
Deduct adjustments made during 1894-95—						
By cash recovery	3,650	14	8			
By debit to final heads	368	0	3			
By transfer to some other Advance heads ...	750	0	0			
				4,668	14	11
Balance on 30th June 1895 on account of previous years				358	4	7
Add balance on 30th June 1895 on account of 1894-95—						
Total debits	11,466	8	11			
Total credits	4,061	10	10			
				7,404	14	1
Balance on 30th June 1895 agreed with ledger				7,763	2	8

MYSORE DISTRICT.

108. Here we have three sets of figures representing the balance under "Advances Recoverable" on the 30th June 1894, neither of which agrees with the other nor are the figures in any one set correct.

Debit balance on 30th June 1894—

As per ledger ...	3,02,805	7	4
As per statement of outstandings ...	2,96,522	13	8
As per opening balance on 1st July 1894 ...	2,95,280	4	6

109. Taking the opening balance on 1st July 1894 as the basis to start with, we have to make the following additions and deductions in order to arrive at the actual outstandings on the 30th June 1894, which were Rs. 2,96,694-9-4, and which differed from that shown in the ledger by Rs. 6,110-14-0 as shown lower down—

Additions :—

Excess credits from 1890-91 to 1893-94, that is, amounts credited to "Advances Recoverable" and entered in Form D (adjustment register) without corresponding debits, the aggregate debit balance being reduced ... ...

Rs.	a.	p.	
			Rs. a. p.
13	4	0	March 1891
180	7	0	Sept. 1891
1	0	0	Aug. 1892
451	2	8	April 1893
4	6	0	May 1893
220	7	11	June 1893
19	2	8	July 1893
70	0	0	Aug. 1893
12	14	5	Oct. 1893
15	14	0	Nov. 1893
10	0	0	June 1894
998	10	8	

2,96,278 15 2 *Carried over.*

	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Brought forward							296,278	15	2
	Debits.			Credits.					
1887-88	201	4	0	.....					
1888-89	1,207	3	5	.....					
1889-90	1,590	0	0	402	8	0			
1890-91	253	14	8	1,889	5	0			
1891-92	1,280	7	10	645	0	0			
	4,532	13	11	2,936	13	0	1,596	0	11
							2,97,875	0	1
B.				300	0	0			
				15	6	9			
				865	0	0			
							1,180	6	9
							2,96,694	9	4

Amount actually outstanding on 30th June 1894 on account of transfer transactions, being excess debits over credits not included in the objection books of the years concerned.

Total Additions.

Deduct amount erroneously excluded from the accounts of January 1894 under head " Advances Recoverable."

Amount erroneously transferred to " Advances for relief works" in June 1893.

Amount adjusted to credit of " Advances Recoverable" prior to June 1894 but not removed from the objection book.

Actual outstanding on 30th June 1894.

Note.—There is a small difference, namely, Rs. 464-3-8, between this amount and that shown as outstanding on 30th June 1894 against the Mysore district in page 7 of Appendix B. due to errors which came to light on a further investigation into the balances outstanding in the several districts.

Ledger balance	...	3,02,805	7 4
Actual outlay	...	2,96,694	9 4
Difference	...	6,110	11 0

110. The difference of Rs. 6,110-14-0 is explained below :—

		1,200	0 0
		5,762	4 4
		4	0 0
		149	2 11
Carried over	...	7,115	7 3

Excess debit raised in 1891-92 through an error in the adjustment of certain charges on account of police clothing.

Amount creditable to Advances Recoverable but erroneously posted in the district abstract in December 1891 to Suspense, *i. e.* short credit.

Amount erroneously debited to Advances Recoverable in the ledger for 1893-94 instead of to Artware Advances.

Value of timber supplied by the Forest Department to the Superintendent, Mysore Jail, and adjusted through the transfer book in 1892-93 by credit to Forest and debit to " Advance for Jail Manufactures." Subsequently readjusted by a plus entry against "Advances Recoverable" and a minus one against " Advances for Jail Manufactures." In June 1893 credit was afforded to " Advances Recoverable" by debit to departments supplied. The transactions so far are correct. In June 1894 the auditor, under a misapprehension, readjusted the item by means of a formal entry to debit of " Advances Recoverable" and credit to " Advances for Jail Manufactures," and hence an excess debit. (A similar adjustment appears in the Shimoga district).

	Rs.	a.	p.		
	7,115	7	3	*Brought forward*	
Short credits, *vide* items marked B ...	315	6	9		
Total excess debits	7,430	14	0		
Deduct—					
Amount of excess credit on account of transfers from "Advances Recoverable" to "Forest Advances" in 1890-91 ...				200	0 0
Amount credited to "Advances Recoverable" for which no debit appeared in the district				50	0 0
Amount credited to "Advances Recoverable" instead of to P. W. Department				50	0 0
Amount of Suspense receipts erroneously credited to "Advances Recoverable" in November 1890.				21	5 4
				998	10 8
Excess credits, *vide* item marked A.	1,320	0	0		
Net excess debits	6,110	14	0		

111. Out of a balance of Rs. 2,96,694-9-4, Rs. 1,29,218-5-5 only have been adjusted during 1894-95 as follows—

	Rs.	a.	p.
Cash	19,912	12	6
By debit to Service heads ...	29,058	12	10
By debit to Debt head ...	28,504	4	1
By transfer to another Advance head	51,742	8	0
Total ...	1,29,218	5	5

leaving a balance on 30th June 1895 of Rs. 1,67,476-3-11 on account of previous year's outstandings.

112. From the above memo of adjustment it will be seen that the largest item is on account of transfers to some other Advance heads, which is really no adjustment but merely a reduction of balance under one head with a corresponding increase somewhere else.

113. Cash recoveries represent the smallest item. Of the balance of Rs. 1,67,476-3-11 outstanding, Rs. 1,15,526-11-9 represents amounts advanced for the Improvement of the Mysore Town and Fort already noticed in Appendix E.

114. A salient feature in this district is the number of final payments held under "Advances Recoverable." As already noticed in the other districts, this is due to amounts held under Suspense during the year and transferred wholesale at its close to "Advances Recoverable."

115. Twenty-seven vouchers aggregating to Rs. 1,646-14-2 were not forthcoming in support of adjustments charged to some final head of accounts. These vouchers are on account of final payments and were received a considerable time after the accounts to which they appertained. The

items were removed from objection and the vouchers mislaid.

116. Large sums of money on account of repairs to temples are removed from objection on abstract measurement statements drawn up by overseers without any certificate to the effect that the repairs have been carried out in a satisfactory way, nor are they countersigned by any one who has actually inspected the works, as is done in the other districts. In some cases the Muzrai Secretary's countersignature appears on the bill. This is accepted as sufficient authority to pass the charge, as the Muzrai Secretary represents the Government in the Muzrai Department; but apart from this I think there should be some record to the effect that the works have been inspected and accepted.

117. The following are the minor irregularities noticed :—

Items.	Rs.	a.	p.	
No. 55, advance to Amildar, Seringapatam ...	121	10	0	118. Rs. 10 credited in June 1895 and taken in reduction of this item although it does not appear to be on this account.
No. 94, Khedda advances ...	509	0	0	119. At the end of 1890-91 it was found that Rs. 700 had been transferred to Forest Advances in excess of debits under Advances Recoverable, an item of Rs. 500 was outstanding in objection book, and Rs. 500 of the excess was taken against it in March 1895. The balance of Rs. 200 was readjusted through the transfer book.
No. 110, Sub-Divisional Officer for repairing Sri Ranganath Swami temple ...	2,803	12	6	120. Original receipt of payee said to be lost by Deputy Commissioner. The amount has been removed from objection under Government Proceedings No. 498—M. 15-95, dated 18th October 1895.
Nos. 138, 139, 142, 144 and 145, amounts advanced for the reception of the Grand Duke of Russia ...	1,665	15	0	121. Bills for the adjustment of Rs. 3,104-0-5 were submitted, whereas only Rs. 1,665-15-0 were outstanding. A reference was I believe made as regards the balance, but no reply has, as far as I can gather, been received up to date.
Nos. 154 to 160 and 163 to 169 and 171, advances for the reception of the Geikwar of Baroda ...	14,566	3	2	122. The amounts were removed from "Advances Recoverable" by debit to "XXIV Miscellaneous" and held under "Items adjusted but awaiting clearance" in the objection book. 123. No vouchers, proceedings or other documents support this adjustment.
Nos. 293, 335, etc., feeding charges in K. K. Subrao's chatter, per mensem ...	45	0	0	124. This is a recurring item of expenditure and should have been charged finally.
Nos. 251 and 254, balance of advances for reception of Viceroy ...	Rs. 52	a. 2	p. 10	125. Bills for adjustment of Rs. 4,000 outstanding in the Mysore district were received. Rs. 1,352-2-10 only were outstanding under "Advances Recoverable"
	1,300	0	0	

Irregularities.	*Items.*			
and were consequently removed. Rs. 35,456 were held under "Items adjusted but awaiting clearance," on the same account. It is not known whether the balance of Rs. 4,000 after adjusting Rs. 1,352-2-10 were taken in part adjustment of the latter sum. The full amount of Rs. 35,456 was however removed in March 1895.				
126. A bill in adjustment of Rs. 285-6-10 was submitted. Rs. 275-10-10 were passed and Rs. 9-12-0 disallowed, but only Rs. 100 were removed from objection, the balance is still outstanding in the objection book.	Nos. 316, 326 and 329, detail bill on account of Government House contingencies ...	50	0	0
		3	5	0
		46	11	0
		100	0	0
127. Originally held under Suspense; at end of year transferred to Advances Recoverable; subsequently removed from Advances Recoverable by debit to Medical, although a portion was recoverable from H. M.'s Government on account of leave allowance. Portion recovered in cash also credited to Advances Recoverable. Excess credit under Advances Recoverable subsequently transferred to credit of Miscellaneous instead of to debit head in reduction of original charge.	No. 354, pay of Dr. Benson ...	754	2	8
128. Debited to "Advances Recoverable" instead of being charged off finally and being held under column "Adjusted but awaiting clearance," pending receipt of countersigned bill. Rs. 261-6-6 only were passed and the balance disallowed, but the whole amount has been removed from objection.	No. 468, abstract contingent bill of the Deputy Commissioner's office ...	262	2	6

129. Out of Rs. 1,51,788-12-6 debited to Advances Recoverable during 1894-95, Rs. 1,01,261-5-2 have been adjusted, namely, Rs. 74,234-3-11 by cash recoveries, Rs. 10,123-12-7 by debit to some final head of accounts, Rs. 16,903-4-8 by transfer to some other Advance head, leaving a balance of Rs. 51,392-7-4 outstanding on 30th June 1895 on account of 1894-95.

130. The total balance outstanding on 30th June 1895 is as follows:—

	Rs.	a.	p.
On account of previous years ...	1,67,476	3	11
On account of 1894-95 ...	51,392	7	4
Total ...	2,18,868	11	3

and this agrees with the ledger.

HASSAN DISTRICT.

131. It would appear that adjustments have been made and brought on the books which have not been shown in the objection books.

Balance outstanding on 30th June 1894—

	Rs.	a.	p.
As per objection books ...	27,875	9	9
As per ledger ...	21,855	12	4
Difference ...	6,019	13	5

Balance outstanding on 30th June 1895—

Ledger and objection book... 16,382 8 6

132. Of the adjustments made during 1894-95, Rs. 12,400-8-7 though charged to Service heads stands unadjusted under "Items adjusted but awaiting clearance" for want of vouchers &c.

133. A voucher in adjustment of three items of advance aggretating Rs. 450 for 1885-86 was received on the 20th February 1896, but no adjustment had actually been made in the accounts up to the middle of June.

(9)

MEMORANDUM.

The Resident agrees that the para as drafted herein would be better as meeting the intention of the Government of India, for the Government of India have not any wish to give any advice such as that asked for in para 22 of the printed Draft.

Para 1 of the Residency letter No. 1042, dated 20th March 1896, says that the Mysore Government should not pass any orders, until the Government of India have had an opportunity of communicating its remarks. This prohibition is so general in its terms as to prevent my issuing the instructions required for the remedying of the defects brought to light by Mr. Biddulph. Such could not have been the intention of the British Government; if it could be ascertained* that no objection exists to the Durbar remedying the defects pointed out, my para 22 would be somewhat as follows:—

Para 22.

Original.	Revised.
For the special remedying of defects brought to notice by Mr. Biddulph's recent examination, detailed instructions to the Mysore Comptroller are required; similar to those issued by the Comptroller General* in 1873 and 1878 for the remedying of the defects disclosed by Mr. Taylor's and Mr. (now Sir. J.) Westland's inspections of the Mysore Account Office. If the Government of India will kindly obtain for the Durbar the advice of the present Comptroller General as to the instructions which may now appropriately be laid down, omitting, as his predecessor did in 1873 such elaboration as may be suited only to the British Account Agency, the Durbar will have much pleasure in giving due effect to such advice.	The Comptroller has been instructed to remedy such of the defects pointed out by Mr. Biddulph as do not involve a deviation from the procedure as existing in Mysore and it is expected that the Durbar will be able by 31st March 1897 to report to the British Government that due effect has been given to their instructions as above, together with a list of matters in which Mr. Biddulph's suggestions may not have been carried out as involving a change of the existing system. Thereupon the British Government will be able to consider what action should be taken on the matters thus remaining for disposal.

Vide enclosed copies of the Comptroller General's letters to Mr. Hudson, dated Calcutta, the 8th May 1875 and 26th April 1878.

K. S.
28-9-96.

Memo

(9)

Para 1 of the Residency letter No. 1042 of 20 March 1896 says that the Mysore Govt. shd. not pass any order, until the Govt of India have had an opportunity of communicating its remarks.

This prohibition is so general in its terms as to prevent my issuing the instructions required for the remedying of the defects brought to light by Mr. Biddulph. Such could not have been the intention of the British Govt, if it could be ascertained that no objection exists to the Durbar remedying the defects pointed out in my para 22 We. he suggested as follows:

~~Present~~ Revised

The Comptroller has been instructed to remedy such of the defects pointed out by Mr. Biddulph as do not involve a deviation from the procedure as existing in Mysore and it is expected that the Durbar will be able by 31 March 1897 to report that due effect has been given to their instructions as above, together with a list of matters in which, ~~Effect has not been given~~ Mr. Biddulph's suggestions may not have been carried out as involving a change in the existing system.

Therenpon the British Govt will be able to consider what action should be taken on the matters thus remains for disposal —

28/9/96

Original

The President agrees that this paper as matter between We. he letter as meeting the objection, & the Govt of India, is for the Govt of India. have not any wish to give any advice such as that asked for in 2 2 of the Private Draft.

28/9/96.

9-7-11-96-2

(16)

Confidential

OFFICE OF THE COMPTROLLER,
MYSORE GOVERNMENT,
BANGALORE, *24th November 1896.*

No. B. Encl 2.

FROM

THE COMPTROLLER,
MYSORE GOVERNMENT.

To

RAJYA DHURANDHARA
SIR K. SHESHADRI IYER, K.C.S.I.,
DEWAN OF MYSORE.

SIR,

I beg to acknowledge receipt of your confidential D. O. letter, dated 12th September 1896, forwarding extracts of paras 48 to 51 and 58 of Mr. Biddulph's report of inspection of the accounts of my office with its Appendices D, E and F, and to submit the following explanations on the several points therein referred to.

2. In paras 48, 49 and 50 Mr. Biddulph has made the general statement that prior to 1886 the system of account adopted generally for the rest of British India was more or less followed in the Mysore Administration, though not very rigidly, and that from that year "onward "there has been an increasing tendency to "arrive at results by short cuts, and to take "it for granted that the British system is "too elaborate for a small administration like "Mysore". In the succeeding para he states that, while, generally speaking, the rules and procedure laid down in the Civil Account Code have been followed, a certain amount of discretion has been unwisely exercised, and "certain checks and intermediate pro- "cesses which have *seemed* superfluous, but "which are really absolutely indispensable, "have either not been adopted or have been "abandoned to the complete destruction of "the system as a whole".

3. Rather than encumber this letter with details regarding the defects noticed by Mr. Biddulph I have preferred to offer, as far as is possible to do so from the books and accounts maintained in this office from the commencement, detailed explanations against every paragraph in the Appendices D and E printed in juxta-position for convenience of reference, which I beg to submit herewith. I reserve for a later submission my explanations regarding his remarks in Appendix F—Analysis of Outstanding Advances Recoverable—which from their very nature require closer investigation and more time, and I do not wish to delay the submission of this report on that account.

4. ***The most important omissions and defects*** pointed out by Mr. Biddulph have been analysed and classified in the form of a Statement No. 1, *Class I* of which refers to clerical omissions, errors, delays, &c., not unusually found in a detail inspection and examination of any large office. This does not affect either the system or accuracy of the accounts, nor is there any definite codal standard of efficiency with which comparison could be made. I may, however, add that during the year 1894-95—to the accounts of which Mr. Biddulph applied the test audit—and in the early part of 1895-96, my office had to work under very great pressure, owing to the preparation of the requisite statements and figures for the Dewan's Financial Memorandum, dated 27th March 1895, and later on to the closing of the Annual Accounts for the next Dasara which in that year came off in September, three weeks earlier than in any year since the change in the official year was made, and to the unfortunate death after a long period of sick leave of two of my best senior Accountants in charge of the Book and Compilation Branch and Departmental Accounts. The sick list in my office was also unusually heavy, myself having been absent owing to illness for several days.

Class II of the statement refers to the omission to maintain certain registers, returns, &c., for audit and other purposes in the form prescribed for British Account Offices. The necessity for every one of the deviations, where there have been such, has been fully explained in its place in the Appendices. The omission to maintain some of them is due to their not having been required in this province as therein explained.

Class III of the statement refers to the omission of certain intermediate accounts, statements, checks, &c., which I have exhibited in Statement No. 2, showing when they were prescribed and under what Rules and Regulations. If these are the "checks and intermediate processes," which "have either not been adopted or have been abandoned to the complete destruction of the system as a whole," it will be seen from this statement that 50 per cent of them had been prescribed before 1874 and all but one ordered before 1881. As I have no copy of the 3rd edition of Volume II of the Civil Account Code or the correction slips issued thereon, I cannot say whether this also had not been prescribed before 1886. From the internal evidence afforded by the old bound books and accounts of this office which I have examined, I find that every one of these omissions existed in the accounts of eleven conse-

cutive years 1874 to 1886, the year in which Mr. Hudson retired, and that for many of the prescribed procedure local substitutes suited for the requirements of the province had been introduced by him and maintained without any modification as explained against paras 54, 55, 201, 203, 204 250, 251 of Appendix D and para 66 of Appendix E.

Class IV of Statement No. 1.—Supervision—of which it is stated there is an entire want. Another Statement No. 3, shows all instances of omissions of checks and supervision noticed in the Appendices D & E and the periods when, and the authority under which, the rules prescribing such personal supervision and checks were issued. It also shows that all of them except one relating to the Treasury Abstracts, the exact period of the introduction of which I have not been able to trace, had been prescribed before 1884 and some of them even before 1874. On a careful inspection of the books and accounts of this office I find that all of them had been omitted from 1874 to 1886.

5. ***System of Account.***—As explained against para 43 of the Appendix D the arrangements and division of work in this office was not elaborated as fully as is prescribed for British Account offices, nor was a staff of Examiners and Superintendents maintained to meet the requirements of such detailed division. The arrangement has all along been to have a group of men under the Manager of the office (who may be taken to rank with Chief Superintendents elsewhere), to audit all the bills accompanying the Treasury Accounts and pass them through the respective Audit Registers under his initials. These audited bills are sent to another set of men called District Adjusters (one for each Disburser) whose duty it is to compile the Classified Abstracts from the bills so audited. These Abstracts are then passed on to a Senior Accountant who, with the help of one or two intelligent junior men, posts the Detailed Books and Consolidated Abstracts and finally writes up the Journal and Ledger Accounts. As no Examiners or Superintendents were maintained, the best and the most experienced men in the office were selected for compiling not only the District Classified Abstracts but also the Detail Books and Consolidated Abstracts. Since 1886 my Assistants have actually passed nearly 57 per cent of these Abstracts as shown in the statement attached to Appendix D against para 43 thereof. This accounts for the initials of the compilers alone being found on these abstracts as noticed by Mr. Biddulph, for under the

above arrangement they were also the Examiners and we had no staff of separate Examiners. An Examiner had, however, been employed on the staff of this office between the years 1874 and 1879, who, in addition to the preparation of the accounts of Public Works and Railway Departments, had assigned to him the examination of nine Treasury Accounts with his own departmental accounts. Even in these years the initials of an Examiner are observed only on the Treasury Abstracts, and not on the Detail Books. None of the Classified Abstracts for these and subsequent years nor for those of previous years had been passed by a Gazetted Officer. Since 1886, however, 57 per cent of these abstracts as stated above had been passed by my Assistants. The appointment of Examiner was abolished in 1879 and was not resuscitated by Mr. Hudson.

6. I have appended to this letter two more Statements one for Accounts,—No. 4, and another for Audit,—No. 5, showing the number of accounts, &c., maintained, the form in which they were kept, and the extent of supervision and check each had received, the cost of establishment as compared with the Revenue and other Receipts and Disbursements under all accounts during four periods 1873, 1878, 1885 and 1895, *i. e.*, the years in which Mr. Taylor, and Sir James (then Mr.) Westland inspected the office, the year at the close of which Mr. Hudson retired, and the year to the accounts of which Mr. Biddulph applied the test audit according to the latest standard of the British Code. These statements speak for themselves and show at one glance the increase of work during recent years.

7. Of the defects and omissions noticed by Mr. Biddulph and shown in my Statement No. 2, only two, *viz.*, that in regard to the Audit of Local Remittances, and that in regard to Transfer Entry, are referred to by the Comptroller General, Calcutta, in his letter No. 142, dated 8th May 1873, conveying instructions upon the report of Mr. Taylor's inspection of this office in 1872-73 in which he instructed Mr. Hudson to follow the rules laid down in his Circular Orders. Mr. Hudson, in reply, stated in para 2 of his letter No. 1706, dated 14th August 1873, that for Remittances between Taluk and District Treasuries, the Registers he had prescribed afforded a complete means of check and that the corresponding debits and credits on account of them and other remittances were duly checked in his office. Though the Circular Order prescribing rules on this subject had been received in June 1867, fully six years before the date of this

inspection, Mr. Hudson preferred his own method to that prescribed in the above Circular Order, for even in 1878 the same deviation was referred to in paras 35 to 40 of the Comptroller General's letter No. 166, dated 26th April 1878, issued on Sir James (then Mr.) Westland's inspection report. In acknowledging the receipt of Mr. Hudson's letter above referred to, the Comptroller General in his letter No. 1354, dated 5th March 1874, did not object to the procedure adopted by Mr. Hudson nor insist upon the adoption of the prescribed rules. As regards the Transfer Book, it is stated in para 17 of Mr. Hudson's letter that the instructions in Circular No. 148 of 1st June 1873 are being followed.

8. Sir James (then Mr.) Westland inspected this office in 1878. No copy of his report was received in this office, though such a report would have been of great use as a guide. Among the various defects and omissions noticed on this occasion, the same two defects formed subjects of comment in the Comptroller General's instructions, *vide* paras 35 to 40 and 50 of his letter No. 166, dated 26th April 1878. Mr. Hudson did not reply to the Comptroller General's letter as he did on the previous occasion, nor did he adopt the British rules as regards Remittances or elaborate the system of Transfer Entry as therein advised. The Registers, Accounts and Books maintained subsequent to this period, and up to the date of Mr. Hudson's retirement, clearly show that the local method was not replaced by the procedure prescribed for British Account Offices.

9. It may, therefore, be presumed that Mr. Hudson always kept in view the advice originally given by the Comptroller General in his letter of 8th May 1873, and the policy of the local Government, and introduced only the more essential and important accounts and checks prescribed in the British system, omitting such of those intermediate Statements, Returns and Registers as he considered superfluous and not absolutely required for this small Administration, and substituted for the rest a procedure suited to the local requirements. Following the same policy, he did not introduce into this office the elaborate organization and division into departments and sections prescribed and maintained elsewhere. Taking charge of an organized office, worked on a system which did not appear to have been considered as insufficient for the requirements of this province during the long period of trial and adaptation under the control and direction of the British Financial Department, as my predecessor did from Mr. Hudson under whom he had

received varied training for two years as his Assistant, it would have been presumptuous on the part of both my predecessor and myself to have recommended an elaboration involving considerable cost, on the ground that the British Account Code and the procedure in British Account Offices which had not been followed here in their entirety, required such elaboration.

10. Many reforms, however, involving no extra cost, were undertaken before aiming at the British codal standard of efficiency.

They were :—

(1) The compilation of the Rules and Circular Orders issued by Mr. Hudson for the guidance of Taluk and District Treasuries, supplementary to and in elucidation of the Standing Rules relating to Treasury Procedure, &c., omitting obsolete ones.

(2) The publication and issue of the "Mysore Service Regulations" based upon the lines of the British Service Regulations both in the English and Kanarese languages.

(3) The preparation of an Account Manual both in English and the Vernacular for the guidance of the Sub-Treasuries. This is not yet completed.

(4) Re-organization of the office establishment and the grading of the Accountants and Auditors.

(5) Compilation and publication in 1891 of a History of Gazetted Officers for the first time after the Rendition.

(6) The introduction of an independent examination in the Civil Account and Financial Codes as a qualification for Local Service and especially for all Accountants in District Treasuries and in this office.

(7) The analysis and adjustment of differences in the balances that had accumulated, (some from the very formation of the office) noticed by the Comptroller General in his letter No. 166, dated 26th April 1878. Most of them have been analysed and Memoranda of proposed adjustments drawn up ; two of which Mr Biddulph has been pleased to embody in para 279 of his Appendix E.

Others have been traced and are waiting adjustment.

11. I do not know from what quarter emanated the suggestion that the "Civil Account Code is too elaborate and formidable a compilation for the needs of so small an administration" like Mysore. As stated above, the various chapters applicable to Mysore were prescribed for the Local Service Examination and a compilation of the Account Code was commenced so early as 1893, when an application was made to Government for permission to publish an Account Code for this province, taking from the British Code bodily such of the rules as were already in force in this province, modifying some of them to suit the local requirements and omit-

ting those that were not applicable. Before sanctioning such a proposal, the Government thought the permission of the Comptroller General was necessary, as the Codes were issued under his orders. Permission for the compilation of the 1st volume was accorded but was withheld in the case of the 2nd, thus retarding further progress. A modified draft edition of the 1st volume is ready, which I am informed was seen by Mr. Biddulph.

12. It will thus be seen that since 1886 the tendency has been to codify in all directions and to strive to adopt and assimilate the British system and procedure as much as is possible without entailing any extra expenditure on that account and not from that year onwards, as remarked, to take "short cuts" other than those which had not already existed. From the foregoing facts and detailed explanations furnished in Appendices D and E it will further be evident that no discretion of any kind has been exercised either in modifying or omitting any procedure or practice introduced before that year; that no account or process once introduced by Mr. Hudson has ever been "*abandoned*" afterwards; that all the omissions of intermediate Statements, Registers and Processes now noticed did exist prior to 1886, though the rules in regard to them had been prescribed and followed in British Account Offices long before that year; that the same amount of personal supervision exercised before 1886 has continued to be bestowed, though since 1886 the bulk of the work both in the number and volume of accounts maintained has almost doubled itself without practically any increase of the cost of establishment or of the strength of this office; that in the matter of the accounts themselves many of the accumulated differences of the long period before 1886 have since been traced and adjusted or got ready for adjustment; and that with so much pressure of work, both ordinary and special, attempts have been made to consolidate and codify the rules and procedure in various matters for which Codes and Consolidated Rules exist in the British Account Department.

I have the honor to be,

Sir,

Your most obedient servant,

Comptroller.

NO. 1.

II. Returns, &c., maintained for other purposes.			Class III. Omissions of intermediate Accounts, Statements, &c.					Class IV. Omissions of Checks and Supervision.				
Apparent omissions or substitution of local forms for codal ones.	Real defects.	Total No. of defects.	Repetition.	Generalization from individual cases.	Apparent omissions or substitution of local forms for codal ones.	Real defects.	Total No. of defects.	Repetition.	Generalization from individual cases.	Apparent omissions or substitution of local forms for codal ones.	Real defects.	Total No. of defects.
2;6;7;10;13	...	6	...	..	...	...	...	...	...	18	...	1
15;16;18;24 28;32	27	12	...	...	...	...	...	...	...	...	...	...
36;38	...	4	...	...	...	...	...	...	...	...	...	...
41;42	...	2	...	...	...	...	...	...	...	..	...	...
50;56	...	3	...	...	55	54	2	48	...	43;44; 47	...	4
...	...	...	...	...	...	...	...	73	...	...	...	1
78	83;84	3	...	85	...	...	1	...	...	79	105	1
100	101;102; 111	5	...	...	...	...	...	...	...	91;108	90;103	5
...	...	...	114	...	...	...	1	...	...	...	...	...
...	...	...	125	...	...	..	1	...	130	...	132	2
...	...	...	...	...	...	...	...	...	...	...	...	...
217	...	1	196;203; 204	...	201	206;219	6	202	...	191	218	3
...	...	...	220	226;228	...	...	3	...	...	229	...	1
...	..	...	235	...	...	...	1	...	...	...	...	...
242;243	...	2	...	...	...	247	1	...	...	...	...	...
258	...	1	...	...	...	250;251	2	...	...	248;249	...	2
...	...	...	...	...	...	...	...	...	...	...	...	...
..	272	1	270	...	...	269	2	266;267 273;275	281	265;276	271	7
290	...	1	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	66	1	...	...	...	...	...
...	...	41	...	...	...	...	21	...	...	...	...	27

the paragraphs in Appendices D & E of Mr. Biddulph's report.

STATEMENT

Section of Report.	Class I. Clerical omissions, errors, delays, &c., and defects not unusual in any large office.					Class Omissions of Registers, audit and	
	Repetition.	Generalization from individual cases.	Apparent omissions or substitution of local forms for codal ones.	Real defects.	Total No. of defects	Repetition.	Generalization from individual cases.
Appendix D.							
1. Lists of Establishment ...	...	8;11	4;5	1;9	6	12	...
2. Establishment Audit Registers.	...	...	...	...	...	...	23;25 26;29;31
3. Contingent Audit Register ...	...	...	...	...	...	35	39
4. Travelling Allowance Register.	...	...	...	...	...	...	...
5. General System of Audit and treatment of Classified Abstracts	...	...	...	..	...	57	...
6. Huzur Treasury ...	...	...	...	...	...	...	...
7. Gazetted Audit Branch ...	...	...	...	...	...	...	...
8. Pension Department ...	...	...	...	93;112	2	...	104
9. Revenue Survey ...	...	...	...	..	...	...	...
10. Forest Accounts ...	...	...	...	133	1	...	...
11. Excise Revenue ...	...	...	...	..	..	...	...
12. Book and Compilation Department ...	210 to 215	...	...	183;209	8	...	...
13. Loans ...	...	...	..	...	...	...	...
14. Local Funds ...	...	...	...	...	...	...	...
15. Resource Department ...	...	...	...	...	...	...	...
16. Bill Audit ...	...	...	...	..	...	...	...
17. Military Department ...	...	..	...	...	...	...	...
18. Objection Books ...	...	...	...	...	...	...	...
19. Record Department ...	286;295;296	283;284;285	287;288;289	282;293;294	12	...	...
20. Deposits (Appendix E.) ...	...	...	...	..	...	..	...
Total ...	...	...	...	...	29	...	...

Note.—The figures in this Statement denote the numbers of

STATEMENT NO. 2.

	Serial No.	Para of Appendices D and E.	*Class III of Statement No. 1.* Omission of Intermediate Accounts, Registers, Statements, &c.	When prescribed.
Appendix D			CLASSIFIED ABSTRACT.	
	1	54	No Check Register of Remittances is kept ...	Comptr. Gen's. Cir. No 149, dated 15th June 1873.
			TRANSFER BOOK.	
	2	55 206	Only Elementary System maintained	Do, No. 148, dated 1st June 1873 and No. 163, dated 15th March 187[illegible]
			CONSOLIDATED ABSTRACT.	
	3	201	Disbursers' Sheet not kept	Do, No. 211, dated 20th July 1875.
			RETURNS.	
	4	219	No Monthly Broad Sheet kept	Do, No. 149 of 15th June 1873.
			DEPARTMENTAL BALANCES.	
	5	247	No Detailed Balance Statement obtained	C. A. Code Chapter 56 of 1878.
			BILL AUDIT.	
	6	250	No old Bill Lists kept	Do, Chapter 40 of 1881.
		251	No Monthly Agreement Sheet kept	Comptr. Gen's. Cir. No. 144, dated 12th May 1873.
			OBJECTION BOOKS.	
	7	269	Abstract of Objections not maintained	Do, No. 149 of 15th June 1873.
Appendix E.			DEPOSITS.	
	8	66	No Proof Sheets have been kept	Do, No. 196, dated 17th January 1875.

STATEMENT NO. 3

Serial No.	Para. of Appendix D	*Class IV of Statement No. 1.* Omission of Checks and Supervision.	When prescribed.
		ESTABLISHMENT AUDIT REGISTER.	
1	18	Money column, &c., not attested by Superintendent . .	C. A. Code V, II. 1878.
		CLASSIFIED ABSTRACTS.	
2	43	General Statement of Account bears no evidence of examination or of being passed by a Gazetted Officer.	Comptr.-Gen.'s Cir. No. 211, dated 20th July 1875.
3	44	The memo at foot of the General Statement has not been initialled by Examiner or Detail Book-keeper.	
4	47, 132	The Classified Abstracts not passed by a Gazetted Officer.	
		GAZETTED AUDIT.	
5	79	Some of the entries not initialled by a Gazetted Officer.	Comptr.-Gen.'s Cir. No. 169, dated 12th April 1874.
		PENSION DEPARTMENT.	
6	90, 91	The Gazetted Officer does not verify one or two entries.	Art. 13, Chapter 37 of C. A. Code, 1878.
7	103	The opening entries not initialled by a Gazetted Officer.	Art. 10, Chapter 39 of C. A. Code, Vol. II, 1884.
8	105, 108	The Register of Gratuities not reviewed by a Gazetted Officer once a quarter.	C. A. Code, Vol. II, 1878.
		DETAIL BOOKS.	
9	191	The postings not examined and initialled by Poster and Checker.	Comptr.-Gen.'s Cir. No. 211, dated 20th July 1875.
		BOOKS.	
10	218	There is no definite detailed "Review of Balances" ..	Comptr.-Gen.'s Cir. No. 207, dated 25th June 1875.
		LOANS.	
11	229	No control over the Loan Account	
		BILL AUDIT.	
12	248, 249	Issue List not reviewed by a Superior Officer ...	Comptr.-Gen.'s Cir. No. 144, dated 1st May 1873.
		OBJECTION BOOKS.	
13	265, 276, 371	Quarterly Review of balances not made	Comptr.-Gen.'s Cir. No. 14, of 15th June 1873.

STATEMENT NO 4.

ACCOUNT BRANCH.

Comparative List of Registers maintained in this office showing in what form and by whom examined and passed.

	Mr. Taylor's inspection 1872-73.	Sir James (then Mr.) Westland's inspection 1877-78.*	Mr. Hudson's retirement 1884-85.	Mr. Biddulph's inspection 1894-95.
	RECEIPTS— Service Heads ... 109,96,690 Public Debt ... 221,91,340 ——— 331,88,030 EXPENDITURE— Service Heads... 101,31,142 Public Debt ... 226,44,848 ——— 327,75,990 **6,59,64,020** Comptroller & his Estabt.,— Cost per month ... **3,430**	RECEIPTS— Service Heads 75,67,828 Public Debt ... 531,89,799 ——— 607,57,627 EXPENDITURE— Service Heads ... 168,79,034 Public Debt ... 439,45,521 ——— 608,24,555 **12,15,82,182** *This was Famine year The figures for 1876-77 were Rs. 75,375,882 1875-76 75,814,925 Comptroller & his Estabt.,— Cost per month ... **3,690**	RECEIPTS— Service Heads... 106,65,632 Public Debt ... 240,41,253 ——— 347,06,885 EXPENDITURE— Service Heads... 106,13,335 Public Debt ... 240,98,689 ——— 347,12,024 **6,94,18,909** Comptroller & his Estabt.,— Cost per month ... **3,705**	RECEIPTS— Service Heads ... 181,50,708 Public Debt ... 499,42,662 ——— 680,93,370 EXPENDITURE— Service Heads ... 164,65,159 Public Debt ... 515,94,021 ——— 680,59,180 **13,61,52,550** Comptr. & his Estabt.,— Cost per month ... **4,445** Deduct— Rs. (1) Local Fund Branch ... ... 287 (2) Excise Branch ... ... 250 (3) Moiety of Pay of Chief Assistant ... ... 175 712 **712** Net cost per month General Branch ... **3,373**

Serial No.	Description of the accounts.	Form maintained.	Examined by.	Passed by.	Form maintained.	Examined by.	Passed by.	Form maintained.	Examined by.	Passed by.	Form maintained.	Examined by.	Passed by.
1	Classified Abstracts of Receipts and Disbursements.	Local ...	None ..	None ...	Codal	Exar. appointed in 1874-75, & dispensed with in 1878-79	None ..	Codal	None ..	None ...	Codal ...	57 % by Assistant Comptroller & Chief Assistant.	57 % by Assistant Comptroller and Chief Assistant.
2	Objection Stats. Adjustments and Balance Statements were combined with Treasury Accounts.	Local ...	None ...	None ...	Codal ...	Ditto ...	None ...	Codal ...	None ...	None ..	Codal ...	Ditto ...	Ditto ...
3	Detail Books ...	Codal...	None ...	None ...	Codal ...	None ...	None ...	Codal ...	None ...	None ...	Local†..	Chief Assistant & Asst. Comptr.	Comptroller.
4	Consolidated Abstracts ...	Codal ...	Chief Asst. ...	Comptroller ...	Codal ...	Chief Asst. ...	Comptroller ...	Codal ...	Chief Asst. ...	Comptroller ...	Local†...	Chief Assistant ...	Comptroller.
5	Transfer Book				Codal ..	Entries under initials of Comptr. ...	Entries under initials of Comptr. ..	Codal ...	Entries under initials of Comptr. ...	Entries under initials of Comptr.	Codal ..	Entries by Gazd. Offirs. concerned.	Entries by Gazetted Office concerned.
6	Journal	Codal	Chief Asst.	Comptroller ...	Codal ...	Chief Asst. ...	None	Codal ...	Chief Asst, ...	Comptroller ..	Codal ...	Manager ..	Comptroller.

8	Revenue Survey Account ...	Local ...	None ..	None ...	Local ...	Examiner ...	None ...	Local ...	None ...	None ...	Local ...	Chief Assistant and Assistant Comptr.	Chief Assistant or Assistant Comptr.
9	Palace Account	Local ...	None ...	None ...	Local ...	Ditto ...	None	Local ...	Senior accountant	Senior accountant	Local ...	Senior accountant.	Senior Accountant
10	Jail Accounts	None ...	None ...	None ..	Local ...	None ...	None ...	Local ...	None ...	None ..	Ditto ...	Ditto ...	Ditto
11	Public Works Accounts ...	Codal ...	None ...	None ...	Codal...	None ...	None ...	Codal ...	None ...	None ...	Codal ...	Ditto ..	Ditto
12	Check Register of Public Works Remittances.	Local ...	None ..	None ...	Local ...	None ..	None ...	Local ...	None ...	None ...	Local ...	Ditto ...	Ditto
13	Forest Accounts	Local ...	None ...	None ...	Local .	Examined as in 1 & 2.	None ...	Local ...	None ...	None ..	Local ..	Ditto ...	Ditto
14	Check Register of Remittances..	Local ...	None ...	None ...	Local ..	None ...	None ...	Local ...	None ...	None ..	Local ...	Ditto ...	Ditto
15	Revenue Deposit Accounts ...	Codal ...	None ...	None ..	Codal ...	None ...	None ...	Codal ...	None ...	None ...	Codal ...	None ...	None.
16	Judicial Deposit Accounts ...	Codal ...	None ...	None ...	Codal ...	None ...	None ...	Codal ..	None ...	None ..	Codal ...	None ...	None.
17	Savings Bank Deposit Accounts.	Codal ...	None ...	None ...	Codal ...	None ...	None ...	Codal ...	None ...	None ...	Codal ...	None ...	None.
18	Local Remittance Register No. 4.	Codal ...	None ...	None ...	Codal ...	None ...	None ...	Codal ...	None ...	None ..	Codal ..	None ...	None.
19	Local Remittance Register No. 5.	Codal ..	None ...	None ...	Codal ..	None ...	None ...	Codal ...	None ...	None ...	Codal ...	None ...	None.
20	List of Bills—Issued and Paid...	Codal ...	None ...	None ...	Codal ...	None ...	None ...	Codal ...	None ...	None ..	Codal ...	None ..	None.
21	Monthly Cash Balance Stats. ...	Codal ...	Chief Asst. ...	Comptroller ...	Codal ...	Chief Asst. ...	Comptroller ...	Codal ..	Chief Assistant.	Cmptroller ...	Codal ...	Assistant Comptr.	Comptroller.
22	Book Depôt Account ...	Local ...	Checked with Try. Acct. by Auditors & recorded	Checked with Try. Acct. by Auditors & recorded	Local ...	As in 1872-73...	As in 1872-73...	Local ...	As in previous years ...	As in previous years.	Local ...	As in previous years.	As in previous years.
23	Military Secy's Cash Account ...	Local ...	Ditto ...	Ditto	Local ...	As in 1872-73...	As in 1872-73	Local ...	Ditto ...	Ditto ...	Local ..	Ditto ...	Ditto
24	Quarterly Stats. of Arms and Accoutrements.	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Ditto
25	Permanent Advance Register ...	Local ...	Maintained by Chief Asst.	Maintained by Chief Asst.	Local ...	Ditto ...	Ditto ...	Local ...	Ditto ...	Ditto ...	Local ...	Maintained by an Accountant.	Maintained by an Accountant.
26	Stock Register of Bill Forms ...	Local ...	Ditto ...	Ditto ..	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Ditto ...	Maintained by Asst. Comptr.	Maintained by Assistant Comptr.
27	Register of Loans	Codal ...	Ditto ...	Ditto ..	Codal ...	Ditto ...	Ditto ..	Codal ...	Ditto ...	Ditto ...	Codal ...	Mantained by an accountant ...	Examined by Chief Assistant.
28	Gold Mining Account							Local ...	Maintained by Chief Asst.	Maintained by Chief Asst.	Local ...	Asst. Comptr	Assistant Comptroller.
29	Palace Muzrai Account ..										Local ...	Senior Acctt.	Senior Acctt.
30	Artware Account ...										Local ..	Ditto ...	Ditto
31	Sanitary Account ...										Local ...	Ditto ...	Ditto
32	Check Register of Remittances										Local ..	None ...	None
33	Clearance Reg. of Rev. Deposits										Codal ...	A 1st Grade Acctt. in charge and none above him.	A 1st Grade Acct. in charge and none above him.
34	Clearance Reg. of Judl. Deposits										Codal .	Ditto ...	Ditto
35	[illegible] Balance Stats. of Bills										Local ...	Ditto ...	Ditto
36	Regr. of Loans to encumbered Jahgirdars, &c.										Codal ...	Maintained by an Accountant.	Chief Asst. and Asst. Comptr.
37	Reg. of Loans to Agricultural Banks										do. ...	Ditto ...	Ditto

16	P. P. Orders and Audit combined Regr. of Gratuities	Codal ...	Manager ...	Comptr. ...	Codal ...	Manager ..	Comptr. sometimes by Probationer.	Codal ...	Manager ...	Comptroller and Assistant Comptroller.	Codal ..	Manager ...	Comptr.
17	Schedules of Acctt.-General's Payments. ...	Prescribed by Acctt. General.	Manager ...	Comptr. ...	Prescribed...	Manager ...	Comptr. ...	Prescribed...	Do ...	Comptr.	Prescribed ..	Do ...	Comptr
18	Village School Estabt. Regr. ..				Local ...	Chief Asst. & Manager.	Chief Asst. & Manager.	Codal ...	Do ..	Manager ...	Codal ...	Do ...	Manager.
19	Register of Permanent Pay Orders of Military Pensioners.							Local ...	Do ...	Comptroller ...	Local ...	Do ..	Comptr.
20	Audit Register of do ...							Codal ...	Do ...	Manager ...	Codal ...	Do ...	Manager.
21	Register of Schedules received ...							Local ...	Senior Acct.	Senior Acct. ...	Local ...	Senior Acct. ...	Senior Accountant.
22	Munsiffs' Audit Register ...							Codal ...	Manager ..	Manager ...	Codal ...	Manager ..	Manager.
23	Amildars' Audit Register ..							Codal ...	Do ...	Manager ...	Codal ...	Do ..	Manager.
24	History of Services										Codal ...	Do ...	Comptr.
25	Register of contributions on account of Lent Officers.										Codal ..	Do ..	Comptr.
26	Do lent to Railway jaghirs, etc.										Codal ..	Do ..	Manager.
27	Civil List										Local ...	Do ...	Comptr.
28	Quarterly Gradation List ...										Local ..	Do ..	Comptr.
29	Register of Railway receipts and payments.										Local ..	Do ..	Manager.
30	Establishment Register of Taluk Branch Schools.										Codal ...	Do ..	Manager.
31	Register of Permanent Pay Orders of anticipatory pensions.										Codal without the Aud. Reg. combined.	Do ...	Comptr.
32	Audit Register of anticipatory pensions.										Separate register maintained as for ordinary pension.	Do ...	Manager.
33	Work Register of Muzrai buildings.										Local ...	Do ...	Manager.
Municipal. 34	Establishment Register of 8 districts, 1 sub-division and 2 cities.										Codal ..	Chief Asst. ...	Pre-Audit passed by Comptr. and Post Audit by Chief Assistant.
Municipal. 35	Contingent Register										Codal ...	Chief Assistant...	Chief Assistant.
Municipal. 36	Travelling Allowance Register ...										Codal ...	Chief Assistant...	Comptr.
Municipal. 37	Public Works Register										Local ...	Senior Accountant.	Chief Assistant.
District Funds. 38	Establishment Register of 9 circles ...										Codal ...	As in Municipal.	As in Municipal.
District Funds. 39	Contingent Register do ...										Codal ...	As in Municipal.	As in Municipal.
District Funds. 40	Travelling Allowance Register. ...										Codal ...	As in Municipal.	As in Municipal.
District Funds. 41	Public Works Register										Local ...	As in Municipal.	As in Municipal.
	Local Funds General.												
42	Public Works Register for 8 districts.										Local ...	As in Municipal.	As in Municipal.

		Service Heads... 1,09,96,690 Public Debt ... 2,21,91,340	3,31,88,030			Service Heads ... 75,67,829 Public Debt ... 5,31,89,799	6,07,57,627			Public Debt ... 1,06,65,632 ... 2,40,41,253	3,47,06,885			RECEIPTS.—Service Heads ... 1,81,50,708 Public Debt ... 4,99,42,662	6,80,93,370				
		EXPENDITURE.— Service Heads.. 1,01,31,142 Public Debt ... 2,26,44,848	3,27,75,990			EXPENDITURE.— Service Heads .. 1,68,79,034 Public Debt ... 4,39,45,521	6,08,24,555			EXPENDITURE.—Service Heads. 1,06,13,335 Public Debt ... 2,40,98,689	3,47,12,024			EXPENDITURE.—Service Heads ... 1,64,65,159 Public Debt ... 5,15,94,021	6,80,59,180				
			6,59,64,020			*This was Famine Year	12,15,82,182				6,94,18,909				13,61,52,550				
		Comptroller and his establishment cost per month ..	3,430			Figures for 1876-77 were Rs. 75,375,889 1875-76 7,58,14,993				Comptroller and his establishment cost per month	3,705			Comptroller and his establishment cost per month	4,445				
						Comptroller and his establishment cost per month ...	3,690							Deduct—	Rs.				
														(1) Local Fund Branch	287				
														(2) Excise Branch	250				
														(3) Moiety of Pay of Chief Assi-tant	175				
															712				712
														Net Cost per month General Branch ...					Rs. 3,733
Serial No.	Description of the accounts.	Form maintained.	Examined by.	Passed by.		Form maintained.	Examined by.	Passed by.		Form maintained.	Examined by.	Passed by.		Form maintained.	Examined by.	Passed by.			
1	Gazetted Audit Regr.	Prescribed Local ...	Manager ...	Pre-Audit by Comptr. & Post Audit by Chief Asst. Money columns not initialled.		Prescribed Local.	Manager ...	Pre-Audit by Comptr. & Post Audit by Chief Asst. & Manager from 1878-79 not initialled.		Codal ...	Manager ...	Pre-Audit by Asst. Comptr Post Audit by Manager. Money columns not installed.		Codal ...	Manager ...	Pre-Audit by Comptroller & Post Audit by Manager. Money columns initialled by Asst. Comptr.	
2	Establishment Regr.																		
3	Contingent Regr.	Local ...	Manager ...	Chief Asst.		Local ...	Do ...	Chief Asst., Manager from 1878-79.		Codal form with ages or year instead of four.	Do ...	Manager ...		Same as 1884-85	Do ...	Manager.			
4	Palace Estab. Regr.	Local embodied in Estab Regr.	Manager ...	Chief Asst. ...		Separately Codal Form.	Do ...	Do		Codal Form.	Do ...	Do ...		Codal ...	Do ...	Do			
5	Palace Pension Regr.	Local ...	Manager ..	Do ...		Local ...	Do ...	Do		Local ...	Do ...	Do ...		Local ...	Do ...	Do			
6	Rev. Survey Estab. Regr.	Local with P. P.O.Regr. combined.	Manager ...	Do ...		Local ...	Do ...	Do		Local ...	Do ...	Do ...		Local ...	Do ...	Do			
7	Rev. Survey Contingent Regr.	Local ...	Manager ..	Do ...		Local ...	Do ...	Do		Codal ...	Do ...	Do ...		Codal ...	Do ...	Do			
8	Travg. Allowance Audit Regr.	Local combined with Estab. Regr.	Manager ..	Do ...		Codal Form.	Do ...	Do		Codal ...	Do ...	Do ...		Codal ...	Do ...	Do			
9	Regr. of Pension applications received.	Local ...	Manager ...	Comptr. ...		Local ...	Do ...	Comptr.		Codal ...	Do ...	Comptr. ...		Codal ...	Do ...	Comptroller.			
10	Regr. of P. Pay Orders sanctioned.	Local ...	Accountant.	Accountant ...		Local ...	Accountant.	Accountant		Local ...	Accountant	Accountant ...		Local ...	Accountant	Accountant.			
11	Regr. of Political Pensions ...	Codal ...	Manager ...	Comptr. ...		Codal ...	Manager ...	Comptr.		Codal ...	Manager ...	Comptr. ...		Codal ...	Manager	Comptroller.			
12	Audit Regr. of Ordinary Pensions	Local ...	Manager ...	Comptr. ...		Local ...	Manager ...	Comptr.		Local ...	Manager ...	Comptr. ...		Local ...	Manager	Comptr.			
13	Audit Regr. of Political Pensions ...	Codal ...	Chief Asst. & Manager.	Chief Asst. & Manager.		Codal ...	Chief Asst. & Manager.	Chief Asst. & Manager.		Codal ...	Manager & Senior Accountant.	Manager & Senior Account.		Codal ...	Manager & Senior Accountant.	Manager and Senior Accountant.			
14	Work Regr. of repairs and construction of minor civil buildings.	Codal ...	Do ...	Do ...		Do ...	Do ...	Do		Codal ...	Do ..	Do ...		Codal ...	Do ...	Do			
15	Schedules of establishment ...	Codal ...	Dist. Auditors no initials	Dist. Auditors no initials		Codal ...	Dist. Auditors no initials	Dist. Auditors no initials		Local ...	Manager ...	Manager ...		Local ...	Manager	Manager			

STATEMENT NO. 5.

AUDIT BRANCH.

of Registers maintained in this office showing in what form and by whom examined and passed.

Comparative Lists [illegible] 1872-73. | Sir [illegible]

		Mr. Taylor's inspection			Sir [illegible]			Mr. Biddulph's inspection 1894-95.		
		Service Heads... 1,09,96,690 Public Debt ... 2,21,91,340 — 3,31,88,030 EXPENDITURE.— Service Heads.. 1,01,31,142 Public Debt ... 2,26,44,848 — 3,27,75,990 6,59,64,020 Comptroller and his establishment cost per month .. 3,430			Service Heads ... 75,67,828 Public Debt ... 5,31,89,799 — 6,07,57,627 EXPENDITURE.— Service Heads .. 1,68,79,034 Public Debt ... 4,39,45,521 — 6,08,24,555 *This was Famine Year 12,15,82,182 Figures for 1876-77 were Rs.75,375,882 1875-76 7,58,14,925 Comptroller and his establishment cost per month ...3,690			RECEIPTS.—Service Heads ... 1,06,65,632 Public Debt ... 2,40,41,253 — 3,47,06,885 EXPENDITURE.—Service Heads. 1,06,13,335 Public Debt ... 2,40,98,689 — 3,47,12,024 6,94,18,909 Comptroller and his establishment cost per month. 3,705			RECEIPTS.—Service Heads ... 1,81,50,708 Public Debt ... 4,99,42,662 — 6,80,93,370 EXPENDITURE.—Service Heads ... 1,64,65,159 Public Debt ... 5,15,94,021 — 6,80,59,180 13,61,52,550 Comptroller and his establishment cost per month 4,445 Deduct— (1) Local Fund Branch ... ... Rs. 287 (2) Excise Branch ... ... 250 (3) Moiety of Pay of Chief Assistant 175 712 712 Net Cost per month General Branch ... Rs. 3,733		
Serial No.	Description of the accounts.	Form maintained.	Examined by.	Passed by.	Form maintained.	Examined by.	Passed by.	Form maintained.	Examined by.	Passed by.	Form maintained.	Examined by.	Passed by.
1	Gazetted Audit Regr. ...	Prescribed Local ...	Manager ...	Pre-Audit by Comptr. & Post Audit by Chief Asst. Money columns not initialled.	Prescribed Local.	Manager ...	Pre-Audit by Comptr. & Post Audit by Chief Asst. & Manager from 1878-79 Money columns not initialled.	Codal ...	Manager ...	Pre-Audit by Asst. Comptr Post Audit by Manager. Money columns not installed.	Codal ...	Manager ...	Pre-Audit by Comptroller & Post Audit by Manager. Money columns initialled by Asst. Comptr.
2	Establishment Regr. ...	Local ...	Manager ...	Chief Asst.	Local ...	Do ...	Chief Asst., & Manager from 1878-79.	Codal form with cages or 1 year instead of four.	Do ...	Manager ...	Same as 1884-85	Do	Manager.
3	Contingent Regr. ...	Local embodied in Estab Regr.	Manager ...	Chief Asst. ...	Separately Codal Form.	Do ...	Do ...	Codal Form.	Do ..	Do ...	Codal ...	Do	Do
4	Palace Estab. Regr. ...	Local ...	Manager ...	Do ...	Local ...	Do ...	Do ...	Local ...	Do ..	Do ...	Local ...	Do	Do
5	Palace Pension Regr. ...	Local with P. P.O.Regr. combined.	Manager ...	Do ...	Local ...	Do ...	Do ..	Local ...	Do ..	Do ...	Local ...	Do ..	Do
6	Rev. Survey Estab. Regr....	Local ...	Manager ..	Do ...	Local ...	Do ...	Do ...	Codal ..	Do ...	Do ...	Codal ..	Do ..	Do
7	Rev. Survey Contingent Regr.	Local combined with Estab. Regr.	Manager ..	Do ...	Codal Form.	Do ...	Do ...	Cedal ..	Do ...	Do ..	Codal ...	Do ...	Do
8	Travg. Allowance Audit Regr.	Local ...	Manager ...	Comptr. ...	Local ...	Do ...	Comptr. ..	Codal ...	Do ...	Comptr. ...	Codal ...	Do ...	Comptroller.
9	Regr. of Pension applications received. ...	Local ...	Accountant.	Accountant ...	Local ...	Accountant.	Accountant ...	Local ...	Accountant	Accountant ...	Local ...	Accountant ...	Accountant
10	Regr. of P. Pay Orders sanctioned. ...	Codal ...	Manager ...	Comptr. ...	Codal ...	Manager ...	Comptr. ...	Codal ...	Manager ...	Comptr. ...	Codal ...	Manager ...	Comptroller.
11	Regr. of Political Pensions ...	Local ...	Manager ...	Comptr. ...	Local ...	Manager ...	Comptr. ..	Local ...	Manager ...	Comptr. ...	Local ...	Manager ...	Comptr.
12	Audit Regr. of Ordinary Pensions ...	Codal ...	Chief Asst. & Manager.	Chief Asst. & Manager.	Codal ...	Chief Asst. & Manager.	Chief Asst. & Manager.	Codal ...	Manager & Senior Accountant.	Manager & Senior Account.	Codal ..	Manager & Senior Accountant.	Manager and Senior Accountant.
13	Audit Regr. of Political Pensions ...	Codal ...	Do ...	Do ...	Do ...	Do ...	Do ...	Codal ...	Do ..	Do ...	Codal	Do ...	Do
14	Work Regr. of repairs and construction of minor civil buildings. ...	Local ...	Manager ...	Manager ..	Local ...	Manager ...	Manager ...	Local ...	Manager ...	Manager ...	Local ...	Manager ...	Manager
15	Schedules of establishment ...	Codal ...	Dist. Auditors no initials or	Dist. Auditors no initials or	Codal ..	Dist. Auditors no initials or	Dist. Auditors no initials or	Codal ...	Dist. Auditors	Dist. Auditors	Codal ..	Dist. Auditors	Dist. Auditors no initialled

		Impt. Loans.		Ditto ...	Ditto
	39	Personal Ledger of Loans to Irrigation wells.	do. ...	Ditto ...	Ditto
	40	Personal Ledger of Loans to Saguvali Kattes.	do. ...	Ditto ...	Ditto
	41	Do for Restoration of tanks...	do. ...	Ditto ...	Ditto
	42	Do for Plantations ...	do. ...	Ditto ...	Ditto
	43	Quarterly Balance Statements of above Loans.	do. ...	Chief Assistant...	Comptroller
	44	Presidency Bank Accounts ...	do. ...	Maintained by Asst, Comptr. ...	Assistant Comptr,
	45	Messrs. Coutts and Co.'s Accounts.	do. ...	Ditto	Ditto
	46	Mysore Surplus Investment Account	do. ...	Maintained by Asst. Comptroller.	Assistant Comptr,
	47	Railway Redemption Fund Act-	do. ...	Ditto ...	Ditto
	48	Charity Fund Accounts ...	do. ...	Ditto	Ditto
	49	Ursu' Deposit Accounts ...	do. ...	Ditto	Ditto
	50	Princess Jaya Lakshmi Ammanni's Account.	do. ...	Ditto ...	Ditto
	51	Account of Empress Girls' School at Tumkur.	do. ...	Ditto ...	Ditto
	52	Maharaja's Scholarship Fund Account.	do. ...	Ditto ...	Ditto
	53	Vaccine Institute Account ...	do. ...	Maintained by Sr. Accountant.	Senior Accountant.
Municipal Fund.	54	Monthly Classified Abtracts of Receipts and Expenditure.	Local ...	Chief Assistant ...	Chief Assistant.
	55	Objection Statements ...	Codal ...	Sr. Accountant in charge of Munl. Account.	Senior Accountant in charge of Munl. Account.
	56	Annual Accounts ...	Local ...	Chief Assistant ...	Comptroller
Dist' Fund,	57	Consolidated monthly statement.	Local ...	Ditto ...	Chief Assistant
	58	Register of Adjustments ...	Local ..	Ditto ...	Ditto
	59	Consolidated Annual Statement.	Local ...	Ditto ...	Ditto
		Arrack.			
	[illegible]	Duty Register	Local	Under gen. supervision of Chief Asst	Under gen. supervision of Chief Asst.
	61	Register showing the result of sales of Farms.	do. ...	Ditto ...	Ditto
Excise.	62	Day Book of Collections of Rental.	do. ...	Ditto ...	Ditto
	63	Personal Ledger of Farmers ..	do. ...	Ditto ...	Ditto
		Toddy.			
	64	Register showing the result of sales of Farms.	do. ...	Ditto ...	Ditto
	65	Day Book of Collections ...	do. ...	Ditto ...	Ditto
	66	Personal Ledger of Farmers ..	do. ...	Ditto ...	Ditto
		Miscellaneous.			
	67	Abstract Register of Miscellaneous on account of Beer, Bagani Toddy, Ganja, Opium, &c.	do. ...	Ditto ...	Ditto

† For this and previous two years a Local Form was used under Government orders *vide* page 199 of Appendix D.

12

9.7.11/96

OFFICE OF THE DEWAN OF MYSORE,

No. 21—D. DATED, BANGALORE, *29th September 1896.*

FROM

THE DEWAN OF MYSORE.

To

THE RESIDENT IN MYSORE.

SIR,

Adverting to your letters Nos. 866 and 1047 dated 10th and 20th March 1896, I have the honor to forward herewith a copy of the report dated Bangalore, 13th July 1896 (with Appendices A to F), submitted by Mr. T. H. S. Biddulph, Deputy Auditor General of the British Government, whose services were kindly lent to the Darbar, for an examination of the financial condition of the State and its system of accounts.

2. Mr. Biddulph has completed his investigation on these subjects, and in compliance with my request he has also verified the figures contained in the Financial Report for 1894-95. The results of his investigation and examination, and his opinions based thereupon, are set forth in his Report and the Appendices attached thereto.

3. I am glad to find that Mr. Biddulph takes a favorable view of the general financial condition of the State. I also note with satisfaction that he has been able to scrutinize and check the figures contained in the Financial Report for 1894-95 (which were in continuation of those in my Memorandum on the Mysore Finances dated 27th March 1895), and that he has in particular verified outstanding balances of every kind including "Recoverable Advances," and has found our investments and balances of all kinds in correct order. (*Vide* paras 63 and 64 of his Report and Appendices A and B.)

4. With these preliminary remarks, I now proceed to deal with the various matters of detail discussed in the report.

5. ***Redemption of Railway Loans*** (*paras* 16 *to* 20).—Beginning with the financial condition of the State, the first question discussed by Mr. Biddulph relates to the Sinking Fund for Railway Loans. Mr. Biddulph, in his Appendix C, describes several alternative proposals for

the liquidation of the Railway Loans when they become payable. The main aim of these proposals is to close further payments into this Fund, to reduce its balance to the amount required to liquidate the local Railway Debenture Loan of 20 lakhs of rupees, and to start a separate Sinking Fund in Sterling for the purpose of liquidating the Sterling Loan of £1,200,000 raised in England on the security of the Secretary of State. I agree that some such arrangement should now be carried out, and, after due consideration of the various alternatives suggested, I am of opinion that the simplest and most suitable plan will be as follows:—

1*st*.—To form a Sterling Sinking Fund under the arrangement sanctioned by the Secretary of State and on the lines suggested in para 5 of Residency letter No. 1152—1619, dated 4th April 1889. The State to pay into this fund £14,630 per annum, with effect from 1895, so that, by means of 42 annual payments from 1895 to 1936 (both inclusive), there would accumulate at 3 per cent the sum of £1,200,000 for the full liquidation in 1936 of the Sterling Loan raised in England.

2*ndly*.—The payments now required are, £14,630 due in 1895 and £14,630 due in 1896, with interest at 3 per cent from 30th June of the respective years, and hereafter an annual payment of £14,630 should be regularly made on or before 30th June of every year till 1936, in which will be made the 42nd or the last payment required. I would fix the 30th June for the annual payments, as the Mysore official year ends on that date, and as about that time our Treasury balance is likely to be higher than in any other part of the year.

3*rdly*.—Having in the foregoing manner provided for the Sterling Sinking Fund required to liquidate the Sterling Loan, there should be no more payments into the Railway Loans Redemption Fund now maintained by the State. The balance to its credit (which on 30th June 1895 amounted to Rs. 27,81,513), should be reduced to 20 lakhs of rupees by the write-back of the difference to the General Revenues. This difference (namely Rs. 7,81,513) will be just sufficient to cover the first three payments into the Sterling Sinking Fund, as above proposed.

4thly.—The reduced balance of the present Railway Loans Redemption Fund should be in the form of Government of India Securities of the nominal value of 20 lakhs, and should be maintained in that form till actual repayment of the local Debenture Loan of 20 lakhs in August 1902. The interest meanwhile accruing on the reduced fund (about Rs. 70,000 per annum) should be used towards the one lakh per annum required as interest on the loan, the remainder (about Rs. 30,000 per annum) being met from the General Revenues.

6. The foregoing proposals have the effect of reducing the State's annual Railway payments as follows :—

Present.	Rupees.	Future.	Rupees.
Railway Loans Redemption Fund.	4,00,000	Sterling Sinking Fund £14,630 =	2,54,000
Interest on local Debenture Loan of 20 lakhs.	1,00,000	Amount required for interest on local Debenture Loan of 20 lakhs, over and above the interest realized on the Railway Loans Redemption Fund balance.	30,000
Total ...	5,00,000	Total ...	2,84,000
Interest on English Loan £48,000=	8,23,000	Interest on English Loan ...	8,23,000
Grand Total ...	13,23,000	Grand Total ...	11,07,000
		Saving per annum ...	2,16,000

The foregoing appears to me to be by far the simplest plan. Nothing is likely to be gained by partially closing the local Debenture Loan to the extent of 5½ lakhs as recommended by Mr. Biddulph. The 5½ lakhs referred to by him is the nominal value of debentures of this loan purchased by the State on the Surplus Investment Account, and his proposal, if carried out, will needlessly disturb that account.

7. I beg to take this opportunity, in continuation of my letter to you No. 31—D, dated 14th October 1895, of soliciting the help of the British Government as regards the proposed Sterling Sinking Fund. Placed, as the Darbar is, without any dealings in a foreign money market, and bearing in mind that the Sterling Loan has been raised for the Darbar by the Secretary of State on the security of the Revenues of Mysore, I venture to submit that the British Government may be pleased to receive from the State the annual payments of £14,630 required for the Sterling Sinking Fund, to accumulate them in the

way proposed, and eventually to liquidate therewith the English loan of £1,200,000 when it becomes repayable in 1936. Another concession I would solicit is, that these annual payments may be received in the manner prescribed for payment of the interest on the Sterling Loan by means of Exchange Accounts with the Accountant General of Madras. The advantages to the Darbar of such an arrangement will be :—

1*stly*.—A fixed rate of interest at 3 per cent for annual payments made for liquidating the Sterling Loan, as any rate lower than 3 per cent will be more unfavorable to them than available Rupee investments

2*ndly*.—The avoidance of the risk of investments by them in a foreign market; and

3*rdly*.—The assurance that their liability on account of the English Sterling Loan will be completely fulfilled by means of two annual Sterling payments not exceeding in the aggregate £62,630 in any year, namely £48,000 on account of the interest which is already being paid, and £14,630 on account of the Sinking Fund which is proposed with effect from 1895.

8. ***Railway Contracts*** (*paras* 21 *to* 24).—On the financial aspect of our Railway arrangements, I would reserve my remarks till receipt of the fuller report promised by Mr. Biddulph in para 24. Meanwhile, it may be noted in this place that the latest half yearly return received from the Southern Mahratta Railway Company (that for the half year ending 31st December 1895) gives the following information regarding the financial results of the State's Railway Contract with that Company for the 9½ years from 1st July 1886 to 31st December 1895 :—

				Rs.	a.	p.
Net earnings of the Railway...	...	...	...	35,58,424	6	0
Payments—		Rs.	a. p.			
1. Contribution to Provident Fund ..		32,343	1 1			
2. ¼ Net earnings to Company	...	7,99,651	6 10			
3. Interest paid on English Loan of £1,200,000 ..	...	71,42,794	10 4			
	Total Payments	...		79,74,789	2	3
Balance being net loss to the State		...		44,16,364	12	3

This is an average loss of Rs. 4,64,880-8-0 per annum on the Mysore-Harihar Railway.

9. ***The Tribute*** (*para* 25).—Mr. Biddulph states that at the Rendition the Tribute was raisedto 34½ lakhs (exclusive of Rs. 50,000 Rent of Seringapatam). The Darbar

had no reason for regarding the question in this light, as at the Rendition the sovereignty of Seringapatam was ceded to the Maharaja and the Enhanced Subsidy was fixed at 35 lakhs on other grounds. Nor can I understand the statement in Appendix C, that the Rent of Seringapatam could be charged against the Revenues of the Civil and Military Station, but was not to be taken as part payment of the Subsidy. For the purpose of the present enquiry it is sufficient to note that, under present orders, the Assets of the State stand reduced by the Surplus Revenues of the Civil and Military Station (Rs. 3,65,082 in 1894-95) and the Liabilities increased by the amount of the additional Subsidy (10½ lakhs) with effect from the current year.

10. ***Provision for the Children of His Highness the late Maharaja*** (*paras* 26 *and* 27).—The sanctioned annual provision is over and above the Civil List of 14 lakhs. It is now only Rs. 80,000 and will reach a maximum of Rs. 3,40,000 in 1904, when all the children attain their majority. The provision is only for the children and not for remoter descendants, but the combined provision for both children and remoter descendants need not exceed the limit of six lakhs which the Government of India regard as a reasonable maximum charge on the State Revenues on account of allowances to relatives of the Ruling Chief for the time being. Such a maximum is well within the financial ability of the State, but unless a scheme of pension fund such as that described in my Memo of 6th March 1893 is adopted, there is no chance of the present sanctioned limit of Rs. 3,40,000 being exceeded for many years to come.

11. ***Marriage Dowers and Residences for the Children of His Highness the late Maharaja and provision for Her Highness the Dowager Maharani*** (*paras* 28 *and* 29).—These relate to charges during the minority upon the fixed Civil List of 14 lakhs. On this subject I have nothing to add at present to my remarks in Memo dated 6th March 1895, from which Mr. Biddulph quotes in his Appendix C. The subject will be reported upon separately as required in para 3 of your letter No. 2517, dated 6th July 1895.

12. ***Famine Insurance*** (*para* 30).—No Famine Fund exists as described by Mr. Biddulph. In para 34 of my Notes on Mysore Finances dated 24th September 1889, the proposal was made to form such a Fund with the available surplus, but the advice of the Government of India was that it would be preferable to use the surplus for new Railways rather than borrow money for the same. This advice was accepted, and Colonel Sir Oliver St. John, referring to it, wrote in his D.O. dated Bangalore, 9th June 1890, as follows :—

"From our recent conversations on the subject, I be-
"lieve that you are not indisposed to take this view of the

" question, if it is considered that the formation of a large " Famine Reserve Fund is unnecessary, as it undoubtedly is."

Thus no Famine Fund came to be formed; the Darbar made such Railway extensions as were possible; about the others which are required and which they are anxious to do, further progress is in abeyance, owing to the decision of the Government in regard to extensions towards Erode and Mangalore; the extension from Birur to Shimoga is being started just now; the extension from Arsikere to Hassan is awaiting the sanction of Government; and meanwhile the State has the accumulated surplus described by Mr. Biddulph available for new Railways, for famine protection or relief, or for any other approved State purposes.

13. ***Investments in Joint Stock Companies*** (*paras* 31 *to* 33).—These cannot be regarded as investments in the proper sense of the term as meaning money laid out with the object of increasing it or of securing an income from it. The few shares in the two Cotton Mills at Bangalore, which are held by the State, were taken with the sole object of encouraging the first establishment of this important industry within the State, and in aid of the reconstruction of the Companies after a period of initial trouble and loss. In one Company we have 150 shares of the nominal value of Rs. 250 each, and in the other 151 shares of the nominal value of Rs. 100 each. As regards shares of the nominal value of £27,395¾ in some local Gold Mining Companies, their value is at present quite an unknown quantity. But the State did not pay a single rupee for them, nor could it have got a single rupee in lieu of them. They were accepted as fines on transfers of mining rights by lessees to new working companies, under an approved Mining policy, with the details of which it is perhaps unnecessary to encumber this report. Though it is necessary to show these shares in the books so as not to lose sight of them, it would be a mistake to regard them—and the State never regards them—as assets of any present value.

14. ***Outstanding Loans and Advances*** (*paras* 34 & 35).—The loans are all covered by realizable security. They are described in paras 164 to 267 of Appendix E to Mr. Biddulph's Report. I agree with him that it will be useful to provide by rule that officers responsible for obtaining deeds of mortgage, &c., should report to the Comptroller on a specified date the existence of such deeds and the value of the securities, and that no payment should be made without a report to the Comptroller of the actual lodging of the sanctioned security.

15. ***Advances Recoverable*** (*paras* 36 *and* 37).—The amount of these advances is large as pointed out, and

the officers responsible for them have already the strictest instructions for their early reduction to the lowest possible limit. At the end of the period to which Mr. Biddulph's Report relates, they amounted to Rs. 3,65,093 as shown in Statement No. 2A in Appendix B. They have been reduced to Rs. 1,93,892 by the adjustments of 1895-96 completed up to date and a further material reduction is expected before the books of the year are finally closed.

16. ***State Insurance*** (*paras* 39 *and* 40).—This measure is intended for the benefit of the Public Service of the State. It requires every public servant to contribute as premium, one-tenth of his pay, subject to a maximum limit of Rs. 50 a month, and a proportionate bonus is guaranteed at 55 years of age, or earlier in case of death. The table of premia is taken from the Government Post Office and the Oriental systems of Life Insurance. The rates of premia now levied may require reduction after some experience, under professional advice, as it is never intended that the State should ever make any profit out of this business.

17. ***Agricultural Banks*** (*para* 41).—Mr. Biddulph, in paras 98 et seq. of his Appendix C, enters fully into the principles underlying the constitution of such Banks, basing his observations on Mr. Nicholson's report. I regret I have not had the benefit of seeing this report, but our scheme is based upon the Raiffeisen System which has proved so eminently successful in Continental Europe. The point about this scheme which is relevant to a financial enquiry is its absolute safety as regards moneys entrusted to the Banks. But whether it will succeed in curing agricultural indebtedness or in teaching our raiyats thrift and co-operation, is a far larger question on which it is too early to hazard any opinion. The scheme was published only in October 1894, and during the next year two Banks were established. Since then 14 New Banks have been established, and proposals for 14 more are under scrutiny. In Germany it took many long years of patient toil before Raiffeisen could have the satisfaction of seeing his system appreciated by the people, and in this country, where education is so backward, the time required is necessarily much longer. Whether State help to such Banks should take the form of small loans on moderate interest, depends wholly upon what facilities exist for obtaining such loans from other sources, and where (as with us) the great gulf between private capital and agricultural want is so utterly unbridged, except through the usurious Sowcar, any attempt to establish agricultural credit must necessarily fail, unless the State offers its help in the shape of small loans when the system is still in its infancy. A complete explanation of the principles of the system in Kanarese has been widely circulated, and

the constitution and working of every Bank are regulated by a set of sound intelligible rules.

18. *Military Department* (*para* 43).—The difference of $\frac{3}{4}$ lakh in the cost of our Imperial Service Regiment, when compared with the cost of similar corps in the Hyderabad Contingent, is explained by Col. Macintire, Military Secretary to the Mysore Government, as follows:—

"In the first place our Regiment is stronger and consists of 612 of all ranks against 551.* In the Hyderabad Contingent Cavalry there are 14 Native Officers, whereas we have, exclusive of the Commandant, 17 Officers and 6 Probationers. Then some extraordinary charges not of a recurring nature have been included in the $3\frac{1}{4}$ lakhs, *viz.*—

* By last Army List this is reduced to 500.

	Rs.
Saddlery and Equipment	26,125
Purchase of Transport Ponies	10,100
Pack Saddles	1,926
Constructing Stable	1,260
Feeding 10 horses	960
	40,371

This makes a sum of Rs. 40,000 which should not be debited to the Regiment as an annual charge. Against this however there is an annual charge of about Rs. 10,000 for clothing paid by Government which should be deducted from this Rs. 40,000, as it was not included in the year's accounts under review, which leaves Rs. 30,000 extraordinary expenditure not of a recurring nature. If this amount and the pay of the excess number of Officers and Men be taken together, it will be found that there is not so much difference after all, and the difference probably in favour of Mysore."

19. ***The System of Accounts*** (*paras* 48 to 51).—It is not altogether fair to judge of the Mysore system of account keeping by subjecting it to a minute comparison in matters of detail with the procedure of British India. It was never intended that the British Account Code should be introduced into Mysore in its entirety, but on the other hand every procedure borrowed from that Code had been introduced with careful regard to the requirements of the Native State. In 1862-63, at the request of Mr. Bowring, Commissioner of Mysore, the Government of India were pleased to lend the services of Mr. Hudson as an officer of considerable experience in matters of audit and account and well acquainted with the Budget system and the theory of Treasury accounts. His duties were then described as follows:—

"Some of the duties of pre-audit, especially those of "District charges, may perhaps be assigned to the new offi- "cer, but his chief duty should be that of audit and adjust- "ment of the accounts of Treasury and other disbursing offi- "cers, rendering you such additional aid in the preparation "of Budget and Financial returns as may be necessary.

In his Administration Report of 1862-63, Mr. Bowring describes the measures taken for introducing the Budget system, and explains how the rules for conducting Treasury business on the forms of account in use in British Territories adapted to the special requirements of the Province, were prescribed for observance in the Treasuries. This idea of the necessity of a special adaptation of the British procedure to the requirements of the Native Administration was never lost sight of either by the British Government or by its Account Department which supervised Mr. Hudson's work in Mysore; and it may be observed that the Comptroller General himself, in issuing his instructions of May 1873 on the Inspection Report of Mr. Taylor, thought it necessary to preface them by the remark, "I shall not forget that in a "few years British Agency may be displaced, and con- "sequently shall not advise the introduction of any elabor- "ation suited to that agency alone." The system of accounts, initiated and maintained by Mr. Hudson under such circumstances, differed in some particulars from the procedure followed in Account Offices of British India, on the ground that the same was unsuitable or unnecessary for Mysore. The same system has been continued since Mr. Hudson's retirement in 1886, with perhaps a tendency to a greater assimilation with the rules of the British Account Code. I expect to be able shortly to supplement my remarks upon this part of the subject, when I receive the explanation I have already called for from the Mysore Comptroller, regarding any "short cuts" taken in recent years to arrive at results and the checks and the intermediate processes said to have been abandoned.

20. *Paras* 51 *to* 57.—Meanwhile, I agree with Mr. Biddulph that the final closing of the year's accounts within the three months between the end of the official year and the Annual Dasara Address imposes an undesirable strain upon the Account Department, and in order to give that Department the relief which he recommends, I shall in future content myself with giving in the Annual Dasara Address, the preliminary figures for the last year with actual figures for the year preceding it.

21. I also agree with Mr. Biddulph that a special Account Code for Mysore compiled from the British Code, by a process of elimination of all unnecessary provisions, will not be found too large in size for our requirements, and if to the process of elimination which he recommends were added one of adaptation also, the result will be to produce a very satisfactory Code for Mysore. Such a Code has been under contemplation for some years past and a part of it is already actually ready. The whole can be completed and made available for introduction by the end of the current year.

22. The Comptroller has been instructed to remedy such of the defects pointed out by Mr. Biddulph as do not involve a deviation from the procedure as existing in Mysore

and it is expected that the Darbar will be able by 31st March 1897 to report to the British Government that due effect has been given to their instructions as above, together with a list of matters on which Mr. Biddulph's suggestions may not have been carried out as involving a change of the existing system.

23. The preceding para describes the action immediately taken by the Darbar on Mr. Biddulph's report. As regards the future there are two arrangements, the adoption of which, in addition to the promulgation of the Account Code suggested in para 21, I would most strongly advocate as necessary for the uniform continued efficiency of the Mysore Account Department. The first is a system of periodical inspection and audit of the Mysore accounts. No Account Department can be expected to maintain a proper standard of efficiency without the aid of periodical inspections by higher officers. In British India such a system exists, but in Mysore, where the highest Account Officer is the Comptroller himself, an inspection can be arranged for only by means of the loan of a superior officer of the British Government. If the British Government will kindly agree to grant such loans, the periodical inspection of the Mysore accounts by such lent officers need not take place more frequently than once in five years, though the first inspection under the proposed system may with advantage take place two or three years hence. The second proposal I wish to make is also one in which the Darbar have to apply for the help of the British Government. I think it will be most useful to secure a departmental training in the British Account system for selected young men of Mysore. In selecting the men to be sent for such training, the Darbar should be guided by the standard of general education considered necessary for admission into the British financial service. The Darbar should of course bear the expenses of the men they send when they are under training. When these men have received the required training, they should be appointed Superintendents and thus supply the intermediate link now wanting between the Gazetted Officer class and the various sections, and they should be available, in due course, for promotion to the former class, under a system which should be sufficiently liberal to attract to the local Account Service the best young talent available in the country. If due effect begiven to my proposals as above, the Mysore Account Department will be enabled to continue and maintain the high standard of efficiency so essential to the financial prosperity of the State.

I have the honor to be,
Sir,
Your most obedient servant,

K. SHESHADRI IYER,
Dewan.

G.A 11-96-3

No. 38.
D. C.

Dated Bangalore, 1st October 1896.

*Of Letter No. 21 D., dated 29th September 1896, from the Dewan of Mysore to the Resident in Mysore.

Copy* forwarded to the Comptroller of Mysore for information with a request that he will expedite the submission in due course of the explanation referred to at the end of para 19 and that he will take steps forthwith to remedy all defects pointed out by Mr. Biddulph to the extent it may be possible without material change of system as in force in Mysore and that he will submit before the 31st March 1897 a detailed report of matters in which he may have been able to give effect to Mr. Biddulph's suggestions together with a list of matters (with explanation) in which he may not have been able to give effect to Mr. Biddulph's suggestions on the ground of the change of system therein involved or for any other good and sufficient reason.

By Order,

C. SREENIVASIENGAR,
Secretary.

Paint

(14)

Comptr No. 8. of 14th Oct: 1896-

To

The Comptroller

Dy. 7. 11/96 (4)

Sir,

Adverting to No. 38/9C of 1st Oct 96 forwarding ~~Copy of~~ with certain instructions Copy of the Darwin's letter to the Resident No. 21 D of the 29th Sept 96, I am directed to refer you to the proposals contained in para 5 of that letter for the closing of the present Railway Loans Redemption fund of 20 lakhs and for the formation of a new Sterling Sinking Fund - As it is expected that these proposals will have to be carried into effect ~~as soon as~~ at an early date I am to request you to apply for specific instructions before the final closing of the accounts of 1895-96, as to the exact ~~steps~~ method in which the present fund will be reduced and Credits given to the new Sterling fund - Meanwhile it will be unnecessary to Credit the present fund the balance on 30th June 1896 ~~appears~~ arrears & sums realised ~~which is invested~~ Rs 28,69,395, with the usual annual payment of 4 lacs in respect of 1895-96.

by
14-10-96.

Jhn

Secy

F

No. F.

Office of the Comptroller
in Mysore
Bangalore
Dated 22d Sept 97

9 L W 22
7237
9.711-96-5

From

The Comptroller
to the Government of
Mysore

To,

The Secretary
to the Government of
Mysore
Rev. Genl Dept.

Sir,

As directed in your
No. 38 dated 1st October 96
D.C.
forwarding copy of Dewan's
letter No. 21-D dated 28th
September 1896 to the Resi-
dent in Mysore I beg to
submit the reports therein
called for.

2. The important omissions
and defects noticed by
Mr. Biddulph in the
System of Accounts main-
tained in this office as
compared

Compared with the British Civil Account Code were enumerated in the Statements Nos. 2 and 3 that accompanied my confidential letter No. B dated 24th November 1896 addressed to the Dewan of Mysore and which Statements are herewith submitted for ready reference.

3. On a representation made by me in my letter No. A- to your address dated 10th November 1896, the Government were pleased to sanction the requisite subordinate establishment reserving the question of Superintendents for further consideration on receipt of a Scheme for their recruitment and to lend me in the meantime the Services of Assistant Secretary M. C. Srikantiswara Aiyar.

Ravenne Survey, Palace
Muzzori and Artizare
Departments that are in
direct account with the
office and for which de-
tailed Cash Balance State
ments have to be main-
tained as laid down in
the Code. Under the System
of Forest Accounts follow-
ed in this Province since
1869 the Balances with
this Department are shown
as Advances against the
Department and not as
Cash Balances and monthly
detailed Statements of
such advances are obtained
from the District Forest
Officers for check and re-
cord in this office. I under
stand that W. Biddulph
has reported to Government
on the present System of
Forest Accounts and made
some suggestions of which
I am not aware. What

procedure

4. With this additional establishment I have been able to supply seven out of nine omissions enumerated in Statement No. 2. and twelve out of thirteen in Statement No. 3, and to compile the accounts and Books of the last official year in accordance with the Accounts Code and to arrange for the continuation of the System in the future. Statement of Detailed Departmental Balances and Old Bills List Nos. 5 and 6 (a) in Statement No. 2 have not yet been cleared and detailed Review of the Balances No. 10 in Statement No. 3 has not yet been made for the last year for reasons explained below

Detailed Statement of Departmental Balances.

5. We have only the last Revenue

Revenue Survey, Palace
Murvoi and Artware
Departments that are in
direct account with the
office and for which de-
tailed Cash Balance State
ments have to be main-
tained as laid down in
the Code. Under the System
of Forest Accounts follow-
ed in this Province since
1869 the Balances with
this Department are shown
as Advances against the
Department and not as
Cash Balances and monthly
detailed Statements of
such advances are obtained
from the District Forest
Officers for check and re-
cord in this office. I under
stand that Mr. Biddulph
has reported to Government
on the present System of
Forest Accounts and made
some suggestions of which
I am not aware. What
procedure

procedure I have to adopt in regard to the Departmental Cash Balances depends therefore on the orders that may be passed by the Government on this report. The other Departments have very small Cash Balances which have been hitherto shown under the head "Suspense". When a change is ordered in the treatment of Forest Departmental Cash Balances these Departmental Cash Balances also will be similarly dealt with.

Old Bills List —

6. Bills issued in this Province are not so numerous or of so various classes as in British India. Almost all the Bills with the exception of a small number of Supply Bills for the local Branch of the Madras Bank are Public Service Transfer

Transfer Receipts. Therefore I do not consider that this List is necessary.

7. The last Official year's Preliminary Accounts have just been prepared, and when the Final Accounts are closed in December next, the Balances will be reviewed thus supplying the single omission in Statement No. 3 referred to above.

Review of Balances

8. Besides these omissions two deviations from the Codal procedure have been noticed by Mr. Biddulph as objectionable, one in regard to the adjustment of Advances made in one Treasury recovered in another, and the other in regard to the Audit of "Falsk Cash Orders" which are Styled in our Accounts as Local Remittances.

Advances made in one Treasury and recovered in another.

9. With regard to the first I have fully explained the present system (which was introduced by the late Mr. Hudson) and the necessity for the deviation from the Codal Procedure in my reply against para 53 of Mr. Biddulph's Appendix D submitted with my letter No. B above referred to and have only to add that before he inspected this office, I submitted in my demi official memorandum dated the same suggestions as he has made in para 278 of his Appendix D regarding the system of an account Current about which Government Orders are awaited.

Taluk Orders

10. As regards Taluk Orders (para 290 Appendix E of Mr. Biddulph's report)

I

I venture to submit that the local System of Audit though it entails extra labour in this office, secures a double scrutiny in detail first in the District Treasuries in regard to all the individual orders issued and paid, and again in this office in regard to such of them as have not been paid within the month of their issue. This System has been working very satisfactorily since the formation of this office and all the Jalukand District Treasuries thoroughly understand it by long practice and familiarity.

11. As regards the minor omissions and defects and deviations, which do not affect the System of Accounts or Audit but which mostly relate to

to office correspondence
Records, distribution of
Work &c, referred to in
para 4 of my letter No.
B. I have rectified as
far as was possible with
the present establishment
and when the full com-
plement of Superintend-
-ents is available more
will be done to bring up my
office to as near the Bri
-tish Standard as desira-
ble.

12. Owing to the prolonged
inspection of my office
and to the preparation
of voluminous detailed
explanations on the several
points raised by Mr.
Biddulph in his report
thereon work in the offic
had fallen somewhat
into arrears. The addi-
tional establishment
required for remedying
the defects and supplying

the

the omissions pointed out by the Deputy Auditor General was sanctioned by Government at the end of November last and the office was re-organized and brought into working order only after the last Christmas holidays. I had thus only three months up to 31st March last before which I was directed to submit this report. My Chief Superintendent and one or two accountants had daily to devote great part of their time in furnishing the required information for preparing a Manual for this office and for examining the Military and other Departmental Accounts for which the Government had deputed C. W. Biddulph till the 15th ultimo

Ultimo. Under these circumstances I have not been able before this to bring up the work in my office to current — write all the important omissions and defects rectified. The delay in the submission of this report till now was therefore unavoidable.

I have the honor to be
Sir
Your most Obdt Servant

Comptroller

Statement No 2.

SO ES ME THE YSORE

	Serial No.	Para of system D. and E.	Case III of Statement No 1. Omission of Intermediate Accounts Registers, Statements &c	When prescribed.
Appendix D	1	54	Classified Abstract No Check Register of Remittances is kept.	Comptr Genl's Cir. No 149 of 15th June 1873.
			Transfer Book.	
	2	55 206	Only Elementary System maintained	- Do - No 148 dated 1st June 1873 and No 163 dated 15th March 1874.
			Consolidated Abstract.	
	3	201	Disbursers Sheet not Kept	- Do - No 211 dated 20th July 1875
			Returns.	
	4	219	No monthly Broad Sheet Kept.	- Do - No 149 of 15th June 1873
			Departmental Balances	
	5	247	No detailed Balance Statement obtained.	C. A. Code Chapter 56 of 1878
			Bill Audit	
		250	No Old Bills Lists Kept.	- Do - Chapter 40 of 1881
	6	251	No monthly Agreement Sheet Kept	Comptr Genl's Cir. No 144 of 12th May 1873.
			Objection Books.	
	7	269	Abstract of Objections not maintained	- Do - No 149 of 15th June 1873
Appendix E.			Deposits	
	8	66	No Proof Sheets have been Kept	- Do - No 196 dated 17th January 1875.

Statement No 3.

Serial No.	Para of Appendix A.	Class IV of Statement No 1. Omission of Checks and Supervision	When prescribed
		Establishment Audit Register	
1	18	Money Columns &c not attested by Superintendent	C. A. Code V. II. 1878.
		Classified Abstracts	
2	43	General Statement of Account bears no evidence of examination or of being passed by a Gazetted Officer	Comptr Genl's Cir No 211 dated 20th July 1875
3	44	The memo at foot of the General Statement has not been initialled by Examiner or Detail Book-Keeper	
4	47 132	The Classified Abstracts not passed by a Gazetted officer	
		Gazetted Audit	
5	79	Some of the entries not initialled by a Gazetted officer	— do — No 169 dated 12th April 1874
		Pension Department	
6	90 91	The Gazetted officer does not verify one or two entries	Art 13 Ch. 37 of C. A. Code 1878.
7	103	The opening entries not initialled by a Gazetted officer	" 10 — " 39 — do — Vol II 1884
8	105 108	The Register of Gratuities not perviewed by a Gazetted officer once a quarter	C. A. Code Vol II 1878.
		Detail Books	
9	191	The postings not examined and initialled by Poster and checker	Comptr Genl's Cir No 211 of 20th July 1875.
		Books.	
10	218	There is no definite detailed "Review of Balances"	Comptr Gen C's Cir: No 204 dated 25th June 1875
11	229	**Loans.** No control over the Loan Account.	
		Bill Audit	
12	248 249	Issue List not perviewed by a Superior officer	Comptr Genl's Cir No 1144 of 1st May 1873
		Objection Books.	
13	265 276 271	Quarterly Review of Balances not made	— do — No 14 of 15th June 1873